Desk Review Report

SAWI PROJECT
Support and Accelerate Women's Inclusion

Gender Lens Investing

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SAWI (Support and Accelerate Women/Workplace/Workforce Inclusion) is an international model for collaborative impact that aims to accelerate women's economic inclusion in the MENA by overcoming policy and practice barriers.

EXECUTIVE SUMMARY

As part of the Support to Accelerate Women's Inclusion (SAWI) project, we aim to work directly with organizations across the Middle East and North African (MENA) region to promote women-inclusive policies in the formal sector. In the MENA region, PwC (2022) reports that just 19% of the labor force is female, which is the lowest rate worldwide. This can be attributed to several factors, including cultural and social norms prioritizing traditional gender roles, where men are seen as the primary breadwinners while women are expected to focus on household and family duties. Additionally, there are often legal barriers to women's participation in the workforce, such as restrictions on their ability to travel, independently access finance, work outside the home, or inherit property. Economic factors such as a lack of job opportunities, limited access to education and training, and a preference for hiring men over women also contribute to low regional labor force participation rates. Despite policies and plans to reduce the gender gap in employment, women remain sidelined at work, negatively impacting families and suppressing GDP growth across the region. This economic gender gap is projected to persist in the Arab MENA, despite the skilled and college-educated women who overwhelmingly remain unemployed in the region. It is essential to unpack these trends as they exist in specific sectors to investigate gaps and bridge pathways for gender equity and inclusion.

The connection between women, finance, and the economy has been extensively researched and is widely acknowledged as interrelated. Economic factors, such as inflation rates, employment rates, and GDP growth, can significantly impact financial market performance and, more importantly, women's experiences in MENA region workplaces and the workforce. Aligned with this, there has been a growing interest in exploring the effects of women's economic participation in financial markets, keeping top of mind dignified participation that pays close attention to human rights, dignified opportunities, and health and safety standards. Employers and investors can use gender lens investing (GLI) approaches to improve the relationship between participation and financial market performance while centering a commitment to promoting gender equality and social justice. This approach centralizes inclusive human resource factors, such as decreasing the gender pay gap, improving diversity and inclusion, and incorporating parental leave and flexible work arrangements when making investment decisions. Such considerations place emphasis not only on investments' positive financial returns, but also considerations related to wellbeing, dignity, and social sustainability. The balance between financial returns and equity and dignity is paramount for a better future, and these should be documented to encourage impact investing and attract more GLI capital. GLI can play a significant role in addressing the challenges that women as consumers, employees, and entrepreneurs face, such as lack of access to finance, social biases, and inequality in opportunities.

This desk review will examine ten potential indicators drawn from official data resources in the MENA region that could be used empirically to explore the potential impact of women-related factors on financial returns. In addition, we identify indicators from the Knowledge is Power (KIP) Index, which measures inclusive human resource practices and policies and women's related experiences in the MENA region that could be used to study the impact of gender-related factors and financial performance. Additionally, we explore the definition of GLI, its importance, and the drivers behind it. We also provide a section on corporate governance and explore each of its components to offer an accurate definition that reflects the reality of the MENA region and equips investors and employers with essential strategies. Finally, we also explore the relationship between women's economic and social experiences and the environment and how it is interconnected to GLI.

I. INTRODUCTION

The relationship between women, economics, and financial markets has been extensively studied and is widely recognized as interconnected. Economic factors such as inflation rates, GDP growth, and employment rates can significantly impact financial market performance (Fama, 1970; Kim & Kim, 2014). Hence, the effect that gender and women's economic participation has on financial markets has received increasing attention in recent years. However, such considerations should not go unchecked. Historically, clear lessons can be learned from such a one-track focus on neoliberal market growth strategies (Kabeer & Mahmud, 2004). These strategies are often coupled with indiscriminate investment strategies that have often led to higher levels of precarious work and harsher labor systems (Kabeer, 2012). Indeed, there are important critiques of the danger of increasing investment streams to benefit GDP and profit only (Yunus, 2017). These critiques call for a need to acknowledge other ways to invest, ways that prioritize responsible and inclusive investment strategies. Such strategies must necessarily have in mind models that support dignified employment and thriving for individuals, the community, and future generations. Investments that prioritize market growth over dignity have yet to create sustainable societies.

Adopting a gender lens investing (GLI) approach for both employers and investors is one way to balance an interest in financial returns while also centrally promoting dignity, equality, and equity.

At SAWI, we define GLI as an approach to investing that targets and improves investment processes and structures to advance women's dignified and equitable inclusion in the workforce.

Our approach to GLI emphasizes the importance of considering factors related to women's inclusion, dignity, and equity when making investment decisions, such as companies' commitment to diversity and inclusion, gender pay gap, and policies related to parental leave and flexible work arrangements (Morgan Stanley, 2018). The positive financial return of such investments is not forgotten but is placed in tandem with humane considerations. To this end, financial return should be documented to promote impact investing and attract more GLI-related capital.

Business Case for GLI

Evidence shows that gender diversity in the workforce and leadership can positively affect financial performance. However, the spectrum of investigation focused on governance at the board level and the diversity of the labor force. A McKinsey a Company (2015) study found that companies in the top quartile for gender diversity were 15% more likely to have financial returns above their respective national industry medians. Similarly, a study by Credit Suisse (2016) showed that companies with at least one woman on their board of directors had a higher return on equity and net income growth than those without any female board members. These findings suggest that GLI can not only promote gender equality but also lead to better financial returns for investors. Other studies have shown that incorporating gender-related factors into the investment process, such as gender diversity on boards and in executive leadership positions, gender pay gap, products and services that benefit women, labor standards and human rights, and workplace policies and culture, can lead to improved financial performance (Smith, 2021; Johnson & Lee, 2020).

Social Sustainability and WEE Case for GLI

GLI is a powerful tool that contributes to women's economic empowerment and social sustainability. By incorporating a gender perspective into organizational practices and investment decisions, this approach aims to promote gender equality, enhance financial inclusion for women, and address social issues related to gender disparities. At (SAWI), we focus on harnessing the potential of GLI to drive positive change.

Women's Economic Empowerment:
Gender lens investing actively seeks to address the gender gap in economic opportunities and financial inclusion. It recognizes that women face unique challenges and disparities in accessing capital, entrepreneurship, and employment. Here are some ways in which gender lens investing promotes women's economic empowerment:

a. Access to Capital: Studies have shown that women-owned businesses face difficulties accessing capital compared to their male counterparts. GLI focuses on investing in women-led businesses, women-owned enterprises, and organizations that support women entrepreneurs. This helps to bridge the gender financing gap and provides women with the necessary resources to start and grow their businesses (UN Women, 2019).

b. Leadership and Representation: GLI encourages gender diversity and inclusion in leadership positions. Investing in companies with diverse boards and management teams enhances decision-making processes and improves business outcomes. By promoting women's representation at all levels, GLI challenges traditional power structures and supports women's economic empowerment (Catalyst, 2020).

c. Employment and Labor Practices: Gender lens investors analyze companies' labor practices, including pay equity, parental leave policies, and support for work-life balance. By investing in companies that prioritize gender equality in the workplace, this approach encourages fair employment practices, benefits, and opportunities for women (Global Impact Investing Network, 2019).

Social Sustainability

GLI recognizes that gender equality is integral to achieving social sustainability. It focuses on investing in companies and initiatives that address social issues and contribute to sustainable development. Here is how GLI supports social sustainability:

a. Women's Health and Education: Investing in companies that provide affordable healthcare services, women's health products, and educational opportunities for girls helps improve overall well-being and access to quality education. By addressing gender-specific health issues and promoting education, GLI contributes to long-term social sustainability (Criterion Institute, 2019).

b. Gender-Based Violence: Gender lens investors prioritize investing in companies that actively address and combat gender-based violence. This includes supporting organizations that prevent violence, provide support services for survivors, and promote community initiatives to create safe environments for women. This focus helps to foster social sustainability by reducing violence and promoting gender equality (Global Impact Investing Network, 2020).

c. Environmental and Social Impact: GLI also considers environmental and social factors in investment decisions. It seeks to invest in companies that demonstrate positive environmental practices, promote renewable energy, and prioritize social impact. By integrating gender considerations into environmental and social investments, GLI contributes to a more sustainable future (GenderSmart Investing Summit, 2020).

In conclusion, gender lens investing at SAWI focuses on women's economic empowerment and social sustainability. By targeting investments toward organizations, promoting gender diversity, supporting women's health and education, combating gender-based violence, and considering environmental and social impact, gender lens investing becomes a powerful tool for positive change.

With the recent introduction of multi-dimensional indices and the abundance of indicators that assess women's inclusion such as diversity on boards and leadership, pay gap, inclusive policies, products and services, parental leave, etc., it becomes a necessity to conduct a thorough analysis about the impact of gender indicators on financial health at the international, regional, and country levels. Such a need becomes urgent and prominent when we realize that developing countries need a clear definition of corporate governance as only sometimes they depend on information related to corporate governance for their investment decisions. The relationship between corporate governance, gender, and the environment is closely linked to Environmental, Social, and Governance (ESG) factors. Corporate governance involves the mechanisms, processes, and relations used by corporations to control and direct their operations. In recent years, the concept of ESG has gained importance as investors and stakeholders have recognized that a company's performance on ESG issues is crucial to its long-term sustainability and success.

The relationship between ESG (Environmental, Social, and Governance) investing and GLI is multifaceted and often complementary (Smith, 2020). While both approaches aim to consider non-financial factors in investment decisions, they have distinct focuses. ESG investing evaluates a company's environmental, social, and governance performance. At the same time, GLI specifically aims to promote gender equality and women's empowerment through investments that support gender diversity and women's well-being (Harji et al., 2019). ESG and GLI are distinct but interconnected approaches that can complement each other in advancing sustainability and gender equality goals in investment portfolios (Smith, 2020). By integrating both approaches, investors can consider a broader range of environmental, social, governance, and gender-related factors in their investment decision-making process, leading to potentially more holistic and impactful investment strategies.

II. WOMEN AND ECONOMICS

While the debate surrounding gender equality has been ongoing for centuries, the idea of women's potential contribution to economic growth (womenomics) is still relatively new. Research suggests that the Middle East and North Africa (MENA) region could add $2.7 trillion to their GDP if men and women were equally involved in the labor market (Setiwati & Gianara, 2022). Additionally, the lack of female economic participation results in the region losing $575 billion annually (World Bank, 2021). Despite the growing evidence that women's participation in the formal economy can lead to significant growth, sex-disaggregated data, and gender-driven growth are still not mainstream economic concepts. The tempering of the growth of women in the formal economy with social and environmental considerations involves integrating principles of dignity, inclusion, and sustainability into the process. This approach ensures that women's economic participation is not only economically beneficial but also socially and environmentally responsible. It is challenging to quantify womenomics, as comprehensive statistics on the topic are scarce, especially since understanding gender dynamics requires also looking beyond economics, as political, social, cultural, and financial factors play a role (Quinlan & Vanderbrug, 2016).

This section will examine ten measures that illustrate the increasing economic influence of women worldwide and in the MENA region, along with how each measure has been used to quantify contributions to financial returns. The indicators are split between traditional and non-traditional meausres adopted by Quinlan, J., & VanderBrug, J. (2016) and altered by SAWI to fit our requirements. We also point to the ways in which each centralizes (or not) considerations of dignity, inclusion, and social sustainability (i.e., not just the business case).These ten publicly available indicators will be used to investigate the impact of gender-related dimensions and sub-dimensions on the financial markets in the MENA region. Additionally, this section explores The KIP Index, which is the first Arab MENA sector-based measure of women-inclusive human resource practices in local formal sector organizations. The findings will help give an understanding of the indicators that are affecting the MENA region concerning these indicators.

1. Publicly Available Indicators

It is essential to differentiate between traditional and non-traditional measures. The former prioritize financial return and metrics used to measure women's economic impact. Here the Business Case is at the heart of the metrics. The latter (i.e., non-traditional measures) are emerging metrics that centralize sustainability by focusing on women's underlying economic potential within the boundaries of dignified employment and human rights. It is crucial to recognize that what affects economics from a gender perspective will also affect financial markets, and, equally, what affects unbridled financial markets dignity has on women and dignity more broadly.

Table 1: Traditional Measures

1. Female labor force participation rate
2. Educational attainment
3. Women's income and wealth
4. Gender pay gap

Table 2: Non-Traditional

5. Unpaid work 6. Women entrepreneurs
7. Corporate gender diversity
8. Paid family leave
9. Women in politics
10. Women and technology

1.1 Traditional Measures

A. Female labor force participation rate

The most critical and fundamental metrics of womenomics emphasize the importance of women's participation in the formal economy through paid employment. The greater the number of women participating in formal employment, the greater the opportunity and potential for economic growth. However, a higher labor participation rate doesn't mean more equity or inclusion. There may still be significant disparities in pay, promotions, and job security based on factors such as gender. Therefore, achieving real equity and inclusion in the workforce requires addressing and eliminating these inequalities and ensuring that everyone has access to high-quality jobs with fair pay, benefits, precarious work, and protections.

Globally

Globally, women face inferior income opportunities compared to men, and they are less likely to work or seek work. The labor force participation rate for women globally is just over 50%, compared to 80% for men, and women have fewer opportunities for career advancement and business expansion. When women do work, they earn less than men. Recent data suggest that these gender gaps have worsened due to the COVID-19 pandemic (The World Bank, 2022). Women have taken on additional caregiving responsibilities due to the closure or reduced capacity of schools and childcare facilities, leading to reduced work hours or dropping out of the workforce. Women are also overrepresented in hospitality, retail, and healthcare industries, which have been hit hard by the pandemic, resulting in higher rates of job loss and economic insecurity.

MENA Region

In the MENA region, PwC (2022) reports that just 19% of the labor force is female, which is the lowest rate worldwide. This can be attributed to many factors including cultural and social norms prioritizing traditional gender roles, where men are seen as the primary breadwinners while women are expected to focus on household and family duties. Additionally, there are often legal barriers to women's participation in the workforce, such as restrictions on their ability to travel, work outside the home, or inherit property. Economic factors such as a lack of job opportunities, limited access to education and training, and a preference for hiring men over women also contribute to low labor force participation rates in the MENA region. Despite policies and plans to reduce the gender gap in employment, women remain sidelined at work, negatively impacting families and suppressing GDP growth across the region.

According to recent statistics, Kuwait has the highest percentage of female participation in the labor force among our target countries, with a rate of 47.4%. On the other hand, Iraq has the lowest rate, with only 11.1% of women actively participating in the workforce (World Bank, 2023).

Interestingly, six countries in our target region, including Bahrain, Kuwait, Lebanon, Libya, Morocco, and Tunisia, have a higher percentage of female labor force participation than the regional average. However, three countries in the region, namely Algeria, Iraq, and Jordan, have a lower rate of female participation in the labor force than the regional average.

Furthermore, among our target countries, Kuwait is the only one with a female labor force participation rate that is higher than the global average. It's important to note that in all our target countries, the rate of female labor force participation is lower than that of men (World Bank, 2023).

Overall, these statistics highlight the need for further efforts to increase female participation in the labor force, particularly in countries where the rate is lower than the regional average. It is also essential to continue to promote gender equality and work towards closing the gap between male and female labor force participation rates in our target countries.

B. Educational Attainment: Rising education levels of women

The reason for women's increased involvement in the formal economy is their improved education, skills, and qualifications that make them competent for jobs across all sectors. Furthermore, more girls and women are now enrolling in and completing higher education degrees

Globally

The 2020 Global Gender Gap Report showed that 88% of females had received primary education globally, while males had a higher rate at 91%. However, females had a higher rate of tertiary education compared to males. (Statista, 2022)

MENA region

The MENA region has also made strides in educational attainment, with a 96.2% gender parity rate on this subindex. However, Oman, Morocco, Tunisia, and Algeria still lag behind with less than 95% gender parity (El galil, 2022). Primary education gender gaps have been closed in Saudi Arabia, the United Arab Emirates, Egypt, Kuwait, and Qatar. In contrast, secondary education parity has been achieved in Algeria, the United Arab Emirates, Bahrain, Jordan, Kuwait, Lebanon, and Tunisia. Additionally, every country in the region has closed the gender gap in higher education.

Despite girls performing better in some subjects, they need more than these gains to translate into better labor market opportunities. In the Arab Middle East, there is a significant and concerning trend where highly educated and skilled women face disproportionately high unemployment rates compared to their male counterparts. This contrasts to the "Leaking Pipeline" phenomenon often observed in European and North American contexts. Instead, in the Arab world, the pipeline appears to be under immense strain, leading to what has been termed the "Bursting Pipeline" (Karam et al., 2014). Female labor force participation rates remain low in South Asia and the MENA, with rates of 24% and 20% per region, respectively (Khan & Khattan, 2022). Investing in girls' education is considered the highest-return investment available in the developing world, and the low participation rates are suppressing GDP growth across the region.

High school Completion Rate

Based on available data, Bahrain has the highest percentage of female high school completion rate among our target countries, at 100%, while Jordan has the lowest rate at 69%.

It is worth noting that five countries in our target region, including Algeria, Bahrain, Kuwait, Morocco, and Tunisia, have a higher female high school completion rate than the regional average. Conversely, Jordan has a lower female high school completion rate than the regional average, and we need data available for the remaining three countries.

Additionally, out of the six countries with available data, all of them have a higher percentage of female high school completion rates than males. Furthermore, five countries (Algeria, Bahrain, Kuwait, Morocco, and Tunisia) have a higher female high school completion rates than the global average, with only Jordan falling below it.

Moreover, it is worth highlighting that the regional average for female high school completion rate (78.5%) is higher than the global average (78%) (UN Women, 2023).

Overall, these statistics emphasize the importance of promoting female education and ensuring that girls have equal access to educational opportunities, particularly in countries where the rate is lower than the regional and global averages. It is essential to continue investing in education and increasing female high school completion rates to support the growth and development of our target countries.

Tertiary school (University) Enrollment Rate

Recent statistics indicate that Bahrain has the highest percentage of female university enrollment rate among our target countries, with a rate of 83.2%. On the other hand, Jordan has the lowest rate, with only 36.9% of women enrolled in universities (World Bank, 2023).

Among our target countries, four nations, including Algeria, Bahrain, Kuwait, and Morocco, have a higher female university enrollment rate than the regional average. In contrast, Jordan has a lower rate than the regional average, and Tunisia has the same rate as the regional average. Unfortunately, we do not have data available for Iraq, Lebanon, and Libya.

Moreover, four countries in our target region, including Algeria, Bahrain, Kuwait, and Morocco, have a higher female university enrollment rate than the global average, In comparison, two countries, Jordan and Tunisia, have a lower rate than the global average.

It is worth noting that all six countries with available data have a higher percentage of female university enrollment rates than males.

These statistics underscore the importance of promoting access to higher education for women and girls, especially in countries with lower rates than the regional and global averages. Investment in education is essential to improve economic growth and social progress. Therefore, continued efforts to increase female university enrollment rates are necessary for the development of our target countries.

C. Women’s Income and Wealth: Incomes, purchasing power, and investable wealth of women

The increasing education levels have significantly impacted women's empowerment and decision-making abilities, as they have made significant strides over the past few decades. This has given women more independence and autonomy in various aspects of their lives. One of the most promising metrics of women's economic empowerment is their purchasing power, which is a potent force for change

Globally

Women's economic contributions are significant, with women accounting for 37 percent of the global Gross Domestic Product (GDP). Additionally, women are responsible for over 80 percent of purchases and purchase influence, and they make 91 percent of new home purchases. The market potential of women is larger than the entire economies of China and the United States combined, as women control around US$31.8 trillion in annual consumer spending. This number is expected to rise with the increasing number of women entering the global workforce. In comparison, China's nominal GDP was $14.7 trillion, and the United States was $20.9 trillion in 2020 (Frost & Sullivan, 2020)

MENA region

The Boston Consulting Group has projected that women's wealth in the Middle East will experience a compound annual growth rate (CAGR) of 9 percent up to 2023. This presents an opportunity for wealth managers to adopt a more objective-based and evidence-backed advisory approach, moving beyond stereotypes about female investors and treating each individual on their own merit. By doing so, wealth managers can ensure that the full potential of women's wealth is realized in the coming decade (SAWY, 2020).

According to recent statistics, Bahrain has the highest percentage of female account ownership among our target countries, with a rate of 75.4%. On the other hand, Morocco has the lowest rate, with only 16.8% of women having a bank account.

Among our target countries, only three nations, including Bahrain, Kuwait, and Libya, have a higher rate of female account ownership than the regional average of 38%. In contrast, the remaining six countries, including Algeria, Iraq, Jordan, Lebanon, Morocco, and Tunisia, have a lower rate of female account ownership than the regional average.

Furthermore, Bahrain and Kuwait have a higher rate of female account ownership than the global average of 64.8%. However, the remaining seven countries, including Algeria, Iraq, Jordan, Lebanon, Libya, Morocco, and Tunisia, have a lower rate of female account ownership than the global average.

Notably, the rate of female account ownership in the MENA region is lower than the global average. Additionally, all our target countries have a lower rate of female account ownership than for males.

In the MENA region, female account ownership and financial inclusion face several challenges and barriers. Legal and regulatory barriers exist in some countries, where laws requiring male guardian permission to open bank accounts restrict women's financial autonomy (Amnesty International, 2018). Cultural and social norms also play a role, as traditional gender roles and societal expectations discourage women from pursuing financial independence (Elborgh-Woytek et al., 2013). Limited access to financial services is another hurdle, particularly for women in rural areas or marginalized communities who face challenges due to limited branch networks, lack of transportation, and physical distance (World Bank, 2017). Furthermore, a lack of financial literacy among women in the region complicates their ability to understand and navigate banking services (El-Zoghbi et al., 2018).

These statistics highlight the need to promote financial inclusion for women in our target countries, particularly in nations where female account ownership rates are lower than the regional and global averages. Access to financial services is crucial for economic empowerment, and efforts to increase female account ownership rates can promote gender equality and economic growth.

D. Gender Pay Gap: The gender earnings gap

The gender pay gap, which is the difference between the average earnings of men and women in the workforce, remains a significant barrier to gender-led growth. It is a critical metric that reflects how we value the contributions of male and female workers, expressed as a percentage or a dollar figure. Closing the gender pay gap is crucial for ensuring a fair and equal society for all and is essential for our economic future (Roethlisberger et al., 2022).

Globally
The International Labour (ILO) Organization reports that it will take 257 years to close the global gender pay gap if progress continues at the current rate. Women around the world, on average, earn about 20% less than men. International Equal Pay Day, which falls on a Sunday, emphasizes the need to close gender pays gaps. Governments, employers, and worker organizations all recognize the importance of closing gender pay gaps. In recent years, governments have recently proposed transparency measures and information sharing to address gender wage gaps. Research shows that pay transparency measures can effectively identify compensation differences and reduce gender inequalities in the labor market, depending on how they are implemented. (UN, 2022)

MENA region
Chami (2022) reports that the gender pay gap in the Middle East will take 115 years to close, which appears to be a shorter timeframe than the global period of 267.6 years. However, the lower gap is because fewer women are active in the Middle Eastern workforce than men, despite having higher education and holding well-paid jobs. While progress is being made in some countries, closing the pay gap is a long-term process that requires solid contributions from private and public companies. Measures can be put in place to significantly contribute to this goal and ensure a fairer pay distribution.

1.2 Non-Traditional Measures

E. Unpaid work

Women not only earn less than men and bear the burden of performing more unpaid work than men due to an unequal distribution of household responsibilities. In fact, women and girls spend between two to ten times more time and energy on unpaid care work than men do.

Globally

Even though unpaid care work is significant in maintaining households and societies, it often goes unrecognized and undervalued. Every day, an estimated 16 billion hours are dedicated to unpaid care work. The International Labor Organization (2021) suggests that if care work were valued equally to other work, it would make up a tenth of the world's economic output. Unfortunately, some governments rely on unpaid work to compensate for public services, leading to further gender inequality. Approximately 42% of women worldwide struggle to secure jobs due to their caregiving responsibilities. Women and girls perform more than 75% of unpaid care work globally, and in 89% of households, they are responsible for most household chores.

MENA region
According to the OECD (2021), women in the MENA region spend more time on unpaid care and domestic work than men, limiting their time for paid work. Additionally, when women do work, they are paid less than men in the private sector. Women are also more likely to work as contributing family workers, and their social protection coverage is insufficient. Furthermore, gender segregation remains a significant issue that affects women's career choices and opportunities for professional advancement.

Unfortunately, we only have data on the rate of unpaid care work for women in two of our target countries, Algeria and Morocco. Among these two nations, Algeria has a slightly higher rate of unpaid care work for females, with a percentage of 21.7%, compared to 20.8% in Morocco.

It is important to note that both Algeria and Morocco have a higher rate of unpaid care work for women than for men. However, we need data available for the remaining seven countries in our target group, including Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libya, and Tunisia.

Regrettably, there is no global or regional (MENA) data is available on the rate of unpaid care work for women. Nonetheless, the available statistics highlight the need to address gender inequalities in caregiving responsibilities and promote gender equality in all spheres of life.

F. Number of women entrepreneurs

One important measure is the number of women entrepreneurs, as they are equally capable of starting and running successful businesses as men. Women entrepreneurs come from diverse industries and make significant economic contributions.

Globally
Over the past two decades, the number of women who own businesses has grown significantly, with a 114% increase recorded. According to women entrepreneurs' statistics, there are currently around 252 million female entrepreneurs out of a total of approximately 582 million entrepreneurs worldwide. In addition, 153 million women are already running their own businesses, highlighting women’s significant impact on the business world.

MENA region
Access to capital and financial support is a significant challenge facing female entrepreneurs in the MENA region, with around 60% relying on savings as their primary or only funding source (Hassan et al., 2021). However, the lack of access to specialized services for women entrepreneurs is only one of the reasons for self-funding, as only 30% of participants believed this was the case. The Arab region has the lowest rates of women-led entrepreneurship globally, estimated at only 4% (World Bank, 2023). In MENA, women entrepreneurs face the most significant gap between men and women, with only 12% of women running their own businesses compared to 31% of men. Legal and logistics barriers, as well as limited

access to financing, hinder women's business development. Despite these challenges, entrepreneurial initiatives can provide unique opportunities and benefit companies in the MENA region by promoting innovation and overall well-being. (El amine & Mansour, 2022; Mounzer, 2022).

Promoting entrepreneurship as a solution to women's economic empowerment can sometimes have unintended consequences. It may lead to reduced integration of women into the labor market, ultimately resulting in a decline in overall women's economic empowerment. This perspective highlights the need to critically examine the assumptions and potential limitations of entrepreneurship-focused approaches (Bursh et al., 2019). To foster women's economic empowerment more comprehensively, feminist perspectives advocate for a holistic approach. This includes addressing structural barriers, promoting equitable policies in the labor market, improving access to education and training, and challenging societal norms and gender stereotypes. By focusing on systemic change, a feminist approach aims to create an inclusive and empowering environment for women, both within entrepreneurship and traditional employment sectors.

Among our target countries, Morocco has the highest number of female entrepreneurs totalling 11,225. In contrast, Algeria has the lowest number of female entrepreneurs, with only 656 reported (0ECD, 2022).

However, data on the number of female entrepreneurs have yet to be available_for five of our target countries (Iraq, Kuwait, Lebanon, Libya, and Tunisia), data on the number of female entrepreneurs is not available. Moreover, no data is available for the total number of female entrepreneurs in the MENA region or globally.

G. Corporate gender diversity

Diversity in the workplace refers to having more women on company boards. It encompasses a broader range of women's representation within an organization, including their progression and development throughout the entire company pipeline.

Globally
According to a report by Deloitte (2022), women occupy just 20% of board seats globally and continue to be excluded from the highest levels of corporate leadership. At this pace, the world will not reach parity until at least 2045, over twenty years from now. While this is still unacceptably slow, the pace of change has accelerated slightly, indicating a timeline that has been reduced by almost a decade.

According to Amin et al. (2022), a growing body of research shows that a broad set of business benefits is associated with gender diversity on corporate boards. These include improved financial performance and shareholder value, increased customer and employee satisfaction, increased investor confidence, and greater market knowledge and reputation.

According to data, the world needs to make reasonable progress toward increasing the proportion of women on corporate boards. Women currently only occupy 20% of board seats globally and are still excluded from the highest levels of corporate leadership. This means that parity between men and women on boards is not expected to be achieved until at least 2045, which is still a slow pace of change. However, the pace of change has slightly accelerated, with Deloitte's previous report indicating that parity would only be reached by 2052, reducing the timeline by almost a decade. Although the representation of women on corporate boards is increasing, the number of women leading boards still needs to grow worldwide. Women hold 12 percent of seats worldwide, with only 4 percent chairing boards.

MENA region
According to the OECD (2020), women in the MENA region represent around 49% of the total population, yet their participation in the labor force and corporate leadership positions is significantly lower. The region still faces challenges in adopting and implementing corporate governance measures that support economic efficiency, sustainable growth, and financial stability.

Despite women making up around 49% of the population in the MENA region, their participation in the labor force and corporate leadership roles remains significantly lower (World Bank, 2022). A strong corporate governance framework is essential to boost economic growth and competitiveness, and build prosperous societies,. The G20/OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of State-Owned Enterprises serve as a reference for building such a framework. The MENA region has made progress in strengthening corporate governance frameworks, but challenges still exist in adopting and implementing measures that support economic efficiency, sustainable growth, and financial stability. Gender diversity on corporate boards has brought a broad set of business benefits, including improved financial performance and shareholder value, increased customer and employee satisfaction, and greater market knowledge and reputation. More companies recognize the value of having well-qualified male and female directors representing a range of perspectives, experiences, and backgrounds.

Firms with Female Participation in Ownership
Tunisia has the highest rate of female participation in ownership among our target countries, with a rate of 40.1% (World Bank, 2023). Conversely, Iraq has the lowest rate of female participation in ownership, with only 6.8% reported. For four of our target countries (Algeria, Bahrain, Kuwait, and Libya), female participation in ownership data is yet to be available. Among the remaining countries, Jordan and Tunisia have a rate higher than the regional average of 19%, with Tunisia having the highest rate overall (World Bank, 2023).

Meanwhile, Iraq, Lebanon, and Morocco have a rate lower than the regional average. Regarding the global rate, Tunisia is the only country among our target countries with a rate higher than the global average of 33.3% (OECD, 2023). It is also important to note that increasing female participation in ownership can promote economic development and gender equality by giving women more control over assets and resources.

Firms with Female Top Managers
Tunisia has the highest rate of firms with a top female manager at 10.4%, while Iraq has the lowest rate at 2.3% (World Bank, 2023). Four countries, namely Algeria, Bahrain, Kuwait, and Libya, do not have data available on this indicator. Tunisia is the only country with a rate higher than the regional average. The MENA rate of firms with a top female manager is lower than the global rate, with the MENA rate being 6.5% and the global rate being 17.9% (OECD, 2023).

This information underscores the need for greater efforts toward gender diversity and inclusion in corporate leadership roles in the MENA region. Women's representation in leadership positions is crucial for achieving gender equality and empowering women in the workplace. The lack of data in some countries also highlights the need for improved data collection and monitoring mechanisms to understand better and address gender gaps in corporate leadership.

Female Employment in Senior and Middle Management Positions
Jordan has the highest rate of female employment in senior and middle management positions (60.2%), while Tunisia has the lowest rate of female employment in senior and middle management positions

(16.7%) (OECD, 2022). There is no data available for the remaining five countries (Algeria, Bahrain, Kuwait, Libya, and Morocco), as well as for the MENA and global rates.

H. Paid family leave and work–life balance programs

Providing high-quality public child-care facilities, appropriate family leave benefits, and pre- and after-school programs is crucial to ensure that working mothers and fathers remain formally employed in the economy. These employee support programs, including family leave, significantly impact women's labor force participation rates.

Globally

According to a report by the World Bank (2021), "women account for just over 40 percent of the global labor force, yet they perform more than 75 percent of unpaid care work and make up a majority of informal and precarious workers." This indicates a persistent gender gap in labor force participation and women’s access to decent work opportunities.

In today's world, globalization and fast-paced technological progress have caused a blurring of boundaries between work and home, leading to greater demands on workers and businesses. This has created challenges for individuals to effectively balance their professional and personal responsibilities . As more women join the workforce, the traditional model of a male breadwinner is being replaced. However, this often results in a double burden for women, who are expected to juggle both paid work and unpaid domestic responsibilities.

MENA region

The Middle East and North Africa (MENA) region is characterized by a low level of family-friendly policies, which leads to challenges in balancing work and family responsibilities (Ziad et al., 2020). Sharia-based countries in the MENA region present specific challenges in balancing work and family responsibilities due to cultural and religious norms (Karadag et al., 2017). These countries often adhere to traditional gender roles and expectations, emphasizing on women's domestic and caregiving responsibilities within the family. Consequently, women may face legal and social constraints that limit their mobility, access to education, and participation in the workforce. Moreover, the absence of comprehensive family-friendly policies, such as paid maternity leave and flexible working hours, further exacerbates the difficulties faced by women in managing work and family obligations.

Additionally, cultural stigmas and norms surrounding women's employment outside the home can create societal pressures and disapproval, impeding their ability to prioritize their careers. However, it is important to note that the circumstances and experiences can vary across Sharia-based countries and the broader MENA region, as well as the ongoing efforts in many countries to address these challenges and promote gender equality through policy reforms and social change. One policy that could improve work-life balance is paid family leave, which is currently unavailable in the region. However, some countries such as Tunisia and Morocco have recently introduced paid parental leave policies, while others like Qatar and Saudi Arabia have extended maternity leave for working mothers. Despite these efforts, there is still a need for further improvement in family-friendly policies in the MENA region (Ali & Alkandari, 2021).

Paid Family Leave of at least 14 Weeks Available to Mothers

Four countries in the MENA region (Algeria, Iraq, Libya, and Morocco) have legally mandated paid family leave of at least 14 weeks available to mothers, while the remaining countries (Bahrain, Jordan, Kuwait, Lebanon, and Tunisia) may or may not have such policies in place, and if they do, the duration of the leave is less than 14 weeks.

Having paid family leave policies that include women is important because it enables them to take time off from work to care for their newborns and recover from childbirth without suffering economic hardship. This can also promote better health outcomes for mothers and their children and support gender equality by reducing the burden of unpaid care work on women. Additionally, these policies can help to attract and retain female talent in the workforce, ultimately benefiting both women and businesses.

Paid Leave Available to Fathers

Five out of the nine countries in our analysis (Algeria, Bahrain, Jordan, Morocco, and Tunisia) have policies allowing for paid family leave for fathers (UN Women, 2021). The remaining four countries (Iraq, Kuwait, Lebanon, and Libya) do not have such policies.

It is essential to have inclusive policies for paid family leave for both mothers and fathers, as it helps to promote gender equality and support families. By providing paid family leave to fathers, it encourages them to take an active role in caregiving and domestic responsibilities, which in turn helps to reduce the burden on women and promotes a more equal distribution of responsibilities within the household. Additionally, paid family leave can help improve families' overall health and wellbeing by allowing parents to have the time they need to care for their children during the critical early months of life.

I. Women in politics

The presence of women in political decision-making is significant because it promotes diversity in the debate. including women in decision-making leads to more bipartisanship and advocacy for important issues such as family leave and special education for children. In addition, having more women in parliament can improve government transparency and result in policies that are more inclusive of the entire population.

Globally

According to a report by UN Women (2023), at the current rate, gender equality in the highest positions of power will not be reached for another 130 years. The highest level of public office, head of state, has been held in increasing numbers by women over the past 50 years, but progress has remained constant and equal across regions. According to UN Women (2023), as of September 19, 2022, 30 women hold Head of State and/or Government positions in 28 countries. However, gender equality in the highest positions of power is not expected to be achieved for another 130 years at the current rate. Data from the Global Gender Gap Index indicates that the percentage of women in ministerial positions globally has almost doubled from 9.9% in 2006 to 16.1% in 2022 (WEF, 2022). Over the past 50 years, women have been increasingly holding the highest level of public office as the head of state, but the increase has not been uniform across regions and has yet to be consistent over time (WEF, 2022).

MENA region

According to the Inter-Parliamentary Union's 2022 figures, Arab countries have the lowest representation of women in parliament, with only 17% of seats held by women in national parliaments (LSE, 2022). In 2021, women's representation in the Middle East and North Africa region decreased by 0.9 percentage points, with women holding just 16.9% of parliamentary seats, making it the region with the lowest representation of women worldwide (LSE, 2022).

The World Bank's 2022 report on 'Women, Business and the Law' demonstrates a clear relationship between legal gender equality and women's employment and entrepreneurship opportunities (LSE, 2022). The report also highlights the significance of legal reforms in positively impacting women's labor force participation and narrowing the gender pay gap (LSE, 2022).

It is essential to note that women in the Mena region should take an active role in the participation of

Proportion of Seats Held by Women in National Parliaments
The MENA region has a lower rate of seats held by women in national parliaments compared to the global average. Iraq has the highest rate of seats held by women (26.4%) while Lebanon has the lowest (4.7%) (OECD, 2022). Four countries (Algeria, Iraq, Morocco, and Tunisia) have a higher rate of seats held by women than the regional average. In comparison, five countries (Bahrain, Jordan, Kuwait, Lebanon, and Libya) have a lower rate of seats held by women than the regional average. Algeria and Iraq have a rate of seats held by women in national parliaments higher than the global average.

The importance of this information is that it highlights the disparities in women's political representation within the MENA region. It also emphasizes the need for greater efforts toward gender equality and women's empowerment in political participation and decision-making processes. Women's voices and perspectives are essential in creating inclusive and democratic societies.

Proportion of Women in Ministerial Level Positions
Lebanon has the highest rate of proportion of women at the ministerial level at 31.6%, while Bahrain has the lowest rate at 4.5% (World Bank, 2023). Four countries, namely Algeria, Lebanon, Morocco, and Tunisia, have a higher rate of women at the ministerial level than the regional average. Lebanon and Tunisia are the only countries with a rate of women at the ministerial level higher than the global average. The MENA rate of women at the ministerial level is lower than the global average, with the MENA rate being 13.9% and the global rate being 21.9% (World Bank, 2023).

This information highlights the uneven progress toward gender equality in political leadership in the MENA region. While some countries have made significant strides in achieving gender parity at the ministerial level, there is still much work to be done in other countries where women remain significantly underrepresented in political decision-making roles. The lack of gender diversity in political leadership hinders the ability of countries to address the unique needs and perspectives of their populations and limits the potential for inclusive and democratic governance.

J. Women and Technology

In recent years, an increasing number of women, particularly among Millennials, have gained access to the Internet and smartphones. While their cultural and social barriers are yet to be overcome, the growing connectivity and participation of women in the global digital economy can have a substantial positive impact on the world economy.

Globally
According to Iglesias (2022), while the number of women with access to the internet or smartphone ownership has increased, almost half of the world's population is still offline. In developing countries, women represent most of those offline, perpetuating gender inequalities. The Economist Intelligence Unit's country-disaggregated data indicates that men are 21% more likely to be online than women, increasing to 52% in the least developed countries. Failure to close this gap will prevent the attainment of the Sustainable Development Goal of universal internet access. This digital divide excludes women from valuable services, learning opportunities, and participation in public discourse, potentially deepening existing gender inequalities and pushing women further to the margins of society. Iglesias also notes that

connecting 600 million more women to the internet in the next three years could lead to a $13-18 billion increase in global GDP, with women comprising 59% and men 65% of the population (OECD, 2023).

MENA region

According to a report, less than 10% of startups in Saudi Arabia had at least one female founder over the last 20 years (El-Chaarani et al.., 2022). The gender gap in information technology (IT), and the software and hardware sectors is extreme. In the Arab states, around 66% of individuals overall and 73% of youth used the internet in 2020, but women are 12% less likely than men to use the internet, making the digital gender gap the largest in the world (Samir, 2021). An estimated 63 million women in the MENA region are not using mobile internet, and excluding women in the digital economy amounted to a GDP loss of $126 billion globally in 2020. The report attributed gender exclusion to Internet affordability, safety and security, and a lack of literacy and digital skills. (Nabil, 2022)

Used a Mobile Phone or the Internet to Access an Account To receive money either for selling goods, their business or from providing services)

Bahrain has the highest rate of women accessing an account through a mobile phone or the internet at 23.4%, while Morocco has the lowest rate at 0.7% (McKinsey, 2021). Two countries, Bahrain and Kuwait, have a rate of women accessing an account through a mobile phone or the internet higher than the regional average. Bahrain is the only country with a rate of women accessing an account through a mobile phone or the internet higher than the global average. The MENA average rate of women accessing an account through a mobile phone, or the internet is lower than the global average, with the MENA average being 9.3% and the global average being 23% (McKinsey, 2021).

It is concerning that the rate of women accessing an account through a mobile phone, or the internet is significantly lower than that of men in every country. This digital gender gap can limit women's access to financial services, which is critical for their economic empowerment and participation in the digital economy. The disparities between countries also highlight the need for more targeted efforts to bridge the digital gender gap, particularly in countries where women's access to digital technologies is shallow. By promoting women's access to digital technologies, countries can unlock the potential for greater gender equality and economic development.

Used the Internet to Pay Bills or Buy Something Online

Bahrain has the highest rate of women who use the internet to pay bills or buy something online at 43.1%, while Morocco has the lowest rate at 0.9% (Asee, 2022). Four countries, Bahrain, Kuwait, Lebanon, and Libya, have a rate of women who use the internet to pay bills or buy something online higher than the regional average. Bahrain and Kuwait are the only two countries with a rate of women who used the internet to pay bills or buy something online higher than the global average. The MENA average rate of women who use the internet to pay bills or buy something online is lower than the global average, with the MENA average being 12.7% and the global average being 27.7% (World Bank, 2022).

It is notable that Kuwait is the only country where the rate of women who used the internet to pay bills or buy something online is higher than that of men, indicating a more gender-equal approach to digital technology use. The disparities in digital technology use between countries, as well as between men and women, highlight the need for more targeted efforts to bridge the digital gender gap. By promoting women's access to and use of digital technologies, countries can unlock the potential for greater gender equality and economic development.

Made or Received Digital Payments

Kuwait has the highest rate of women who made or received digital payments, with 67.4% of women engaging in this activity. Meanwhile, Morocco has the lowest rate, with only 8.3% of women making or receiving digital payments. Bahrain and Kuwait are the only two countries with rates of women making or receiving digital payments higher than both the regional and global averages. Notably, in all countries, the rate of women who made or received digital payments is lower than that of men.

These findings illustrate the persistent gender gap in digital technology use in the region, despite efforts to promote greater gender equality. Improving women's access to and use of digital technologies, including digital payment systems, can help to unlock economic opportunities and increase financial inclusion for women. Efforts to close the digital gender gap must address the barriers preventing women from engaging with digital technologies, including access to devices, digital literacy, and social and cultural norms that restrict women's participation in the digital economy.

Reflection

New initiatives are gaining recognition in measuring social progress and well-being alongside the traditional economic indicators that have been used for decades. Defining metrics and measurements is also an area that requires improvement. Ten measurement areas have been identified to enlighten investors and employers about the economic potential of women and their relevance to financial markets. When investors and employers learn about the educational performance of women, their contribution to consumption and wealth despite being paid less, and their role as creators of businesses, enhancers of corporate performance, capable political leaders, and savvy technology users, their skepticism towards women's impact in financial markets decreases. GLI has the potential to enhance gender equality and equity and generate financial returns by channeling capital to leverage on the positive impact of gender equity.

GLI holds significant importance for organizations as it encompasses both social impact and financial considerations. By embracing GLI principles, organizations can drive positive social change by promoting gender equality and equity while also reaping financial benefits.

From a social impact perspective, GLI enables organizations to prioritize gender diversity and inclusion, fostering an environment where all employees, regardless of gender, have equal opportunities for growth and advancement. By actively supporting women's economic empowerment and addressing gender disparities, organizations contribute to a more equitable society. GLI can also lead to a positive social reputation, as organizations are recognized for their commitment to gender equality, attracting stakeholders who prioritize social responsibility.

Furthermore, GLI can have a tangible financial impact on organizations. Research has shown that gender-diverse companies tend to outperform their less diverse counterparts regarding financial performance. By embracing GLI, organizations can tap into the full potential of their diverse workforce, fostering innovation, better decision-making, and improved problem-solving. The inclusion of diverse perspectives, including those of women, enhances creativity and helps organizations better understand and meet the needs of diverse markets.

It is crucial for organizations to recognize that focusing solely on financial impact without considering social impact is a missed opportunity. By incorporating GLI, organizations can align their financial goals with their commitment to creating a more equitable society. Organizations that prioritize social impact through GLI can attract and retain top talent, cultivate strong stakeholder relationships, and build a positive brand reputation.

GLI offers organizations a unique opportunity to drive positive social change and achieve financial success simultaneously. By emphasizing both social and financial impacts, organizations can create inclusive and equitable environments, leverage the benefits of gender diversity, and contribute to a more sustainable and prosperous future for all.

K. KIP INDEX

The index tracks local employer perspectives and practices regarding the recruitment, retention, and promotion of women across sectors (SAWI, 2022). The index provides tools for measuring and improving inclusive HR practices and policies explicitly focusing on local organizations and female nationals. By tracking employer perspectives/practices and women's experiences within six sectors across 11-countries, the index provides data on the contributions of, and challenges women face at work. Using the metrics, decision makers have better perspectives on women's wellbeing at work, and the experiences of dignified work in terms of recruitment, retention, and promotion.

Although utilizing only some of the ten previously discussed indicators, The KIP framework focuses on HR policies and practices, particularly on women's recruitment, retention, and promotion (RRP) in the MENA region. The aim is to understand HR policies and practices and their overall impact, particularly on women in the workplace. This is crucial as it enables us to assess the comparative differences between HR structures between sectors and countries as captured in the KIP index. Although this comparison allows for an exploration of inclusive HR structures correlation with financial returns, the primary aim is to track the level of inclusion of women. By examining the social impact of KIP, we can also explore its economic impact. Through its emphasis on RRP, KIP serves as a valuable tool to highlight the social impact of gender diversity and women's empowerment in the workplace. By leveraging this social impact, we can further investigate the financial implications of incorporating GLI and ESG principles, thereby offering a comprehensive understanding of the multifaceted effects of KIP in terms of both social and economic outcomes.

Table 1: KIP Index – Recruitment – 3 Sub-Dimensions

Recruitment
Hiring
Policies
Applications

- *Hiring* | Proportion of employees who are females hired as reported by employers
- *Policies* | Policies focused on hiring female nationals as reported by employers
- *Applications* | Proportion of applications received from women as reported by employers

Table 2: KIP Index – Retention – 4 Sub-Dimensions

Retention
Representation
Tenure
Recognition
Parity

- *Representation* | Proportion of women across the organization as reported by employers
  Tenure | Relative time spent in a position relative to men as reported by employers
  Recognition | Proportion of women who received formal recognition as reported by employers
- *Policies* | Anti-discrimination and anti-harassment policies in place and enforced as reported by employers

Table 3: KIP Index – Promotion – 4 Sub-Dimensions

Promotion
Decision Making
Development Opportunities
Promoted

- *Decision-Making* | Proportion of women in decision-making roles relative to men as reported by employers
- *Development Opportunities* | Proportion of women receiving career development and training opportunities relative to men, as reported by employers
- *Promoted* | Proportion of women promoted relative to men as reported by employers

1. Sexual Harassment Policies and Practices

Of the Arab MENA countries studied, five stipulate sexual harassment protections in their labor laws: Bahrain, Iraq, Jordan, Libya, Morocco, and an additional five countries criminalize sexual harassment in their penal code: Saudi Arabia, Lebanon, Kuwait, Tunisia, Lebanon and Yemen (SAWI, 2022). Although national-level efforts have promulgated anti-sexual harassment protections, the results from the KIP Index reveal a scarcity of anti-discrimination and sexual harassment policies and enforcement mechanisms across sectors, country-groupings, and countries.

The KIP Index shows an overall regional score of 14.43 for the existence of anti-discrimination and harassment policies and 23.60 for enforcing these policies. With a possible score ranging from 0-100, all sectors in all countries rank below 45, with healthcare in Lebanon and professional services in Morocco appearing to fare the best relative to the other countries with such policies. In terms of organizational enforcement of the scarce sexual harassment policies that do exist, the data suggest that education in Iraq, financial services in Libya, education, healthcare and other services in Yemen, and healthcare in Lebanon fare the highest with a ranking that exceeds 50.00.

Regional employers have yet to properly implement strong workplace policies prohibiting sexual harassment, practical workplace training for all employees, and transparent complaint processes that protect workers from retaliation. These are essential steps to ensure workplaces are free from this form of gender-based violence. Harassment in the workplace will not stop on its own, employers must join the effort to stop sexual harassment.

1.1 Financial Impact

Inclusive policies, particularly those related to sexual harassment, are crucial for women in the workplace as they promote a safe and inclusive work environment, protect the rights and dignity of female employees, and contribute to their overall wellbeing and job satisfaction. Such policies also have financial benefits for organizations, leading to increased productivity, improved employee retention, and enhanced company reputation. Studies have shown that organizations prioritizing diversity, equity, and inclusion (DEI) have better financial performance and are more innovative (Catalyst, 2020). By fostering an inclusive work environment where women feel safe, respected, and valued, organizations can attract and retain top female talent, tap into diverse perspectives and ideas, and enhance team creativity and problem-solving abilities (Dobbin & Kalev, 2016).

Evidence suggests that inclusive policies, such as addressing sexual harassment and promoting gender diversity, can have a positive impact on financial performance for organizations. For example, the Peterson Institute for International Economics and EY (2016) research found that companies with more gender diversity at the senior leadership level were associated with higher profitability. The study examined over 21,000 firms across 91 countries and found that companies with at least 30% of women in leadership positions had a net profit margin of six percentage points higher than companies with no women in leadership positions.

2. Equal Access

Informality in recruitment can be a significant barrier for members of communities that are not typically part of the legitimate social network. These barriers are exacerbated by gender dynamics, which prevent women, particularly those from underprivileged communities or “out-groups,” from accessing paid employment. In this second sense, therefore, equal opportunities in accessing jobs in the private sector are often diminished for women and other marginalized groups. While public sector jobs may be nationally and publicly advertised, job opportunities in the private sector are often announced through social networks, which might preclude individuals who need more network access from being aware of these employment opportunities. Taken together, therefore informality in recruitment may serve as a significant facilitator for some, but an equally significant barrier for others.

When looking at formality in recruitment between the 11 countries included in our research, we note that Jordan, Lebanon, and Saudi Arabia have high levels of informality in recruitment. All these countries share that they all apply informal recruitment practices in the Education and Financial Services sectors. On the other hand, women in Morocco experience a higher level of formalization in the recruitment process across sectors (i.e., Education, Healthcare, Financial Services and STEM), and in Tunisia and Kuwait women also, although to a lesser extent, experience formality in recruitment particularly in the Education and Other Services sectors.

Regional employers have yet to properly implement formal recruitment practices to ensure equal access to employment opportunities for men and women in the region. Formal recruitment practices such as wide-reaching advertising across various channels will widen the outreach and the recruitment pools to women and the underprivileged and provide them with more opportunities to apply for jobs. Women’s low labor force participation will not stop on its own. Employers must join efforts to let their job vacancies be known to people beyond their social networks.

2.1 Financial Impact

According to a case study from the Australian government's initiative to increase the representation of women on corporate boards, formal recruitment practices that prioritize equal access for women can have a significant positive impact on financial outcomes (Australian Government, 2010). The initiative, which set a target of 40% women on government boards by 2015 and introduced formal recruitment practices such as gender-balanced selection panels and transparent criteria, increased women's representation on government boards from 33.6% to 40.1% by 2015. The study further found that the performance of these boards had improved significantly, and the initiative was estimated to have generated an additional AUD 27 million in shareholder value for the top 200 companies listed on the Australian Securities Exchange (ASE) (Australian Government, 2010).

Research consistently shows that companies with diverse leadership teams tend to perform better financially, achieve higher levels of innovation, and make effective decisions (McKinsey & Company, 2020; Peterson Institute for International Economics, 2016). Therefore, organizations prioritizing equal access for women through formal recruitment practices are likely to experience improved financial outcomes, increased shareholder value, and long-term success (McKinsey & Company, 2020; Peterson Institute for International Economics, 2016).

3. Inclusive HR Practices Adopt Strategies to Decrease the Gender Gap

Over time human resource practices have progressed to include traditionally excluded and marginalized groups, including women. This is as true in the Arab MENA as it is across the globe, however, the continuous existence of gender gaps in women's full participation in regional workplaces and the broader economies is evidence that substantial strategic and targeted efforts are needed to devise and implement inclusive recruitment, retention, and promotion (RRP). Indeed, despite progress, multiple forms of gender inequalities, discrimination and exclusion still exist. Although there are commonalities in the forms of exclusion, context plays an essential part in the puzzle when designing HR-solutions. That is, the specifics of setting inclusive RRP processes often depend on the context within which we live and work.

Patterns of exclusion differ and are often shaped by contextual nuances of time and history. While certain forms of equality are achieved over time, others may be resilient during the same period. New forms of inequality always emerge in line with changes in political and economic realities. These include inequalities we see emerging under the current pandemic, the rise in the global refugee crises, the regional economic crises, and the ongoing political instabilities in the region. Understanding inclusion in the context of time and history helps us to think more specifically about the factors that facilitate women's recruitment, the success in retaining them at work, and their upward trajectory on the organizational hierarchy. The challenges of attracting, retaining and promoting a diverse and competent workforce must be placed in context.

To advance inclusive HR systems in the regional workplaces, managers must carefully attend to equitable treatment of women at different stages of the HR life cycle. They must attempt to confront subtle discrimination, ensure the wellbeing of employees at work, and develop a pipeline of diverse talent with possibilities for career advancement. How are women experiencing the workplace in comparison to their male colleagues?

Overall, while women suffer less from discriminatory practices in promotion, they suffer from overt discrimination in recruitment and retention in some sectors and countries. Women's experiences are the most challenging within the STEM sector in Bahrain, where they feel discriminated against in the recruitment and retention process. Women's experiences within education and healthcare are more favorable.

Overall, the story is optimistic at best, positive with women sharing relatively positive stories of recruitment, retention, and promotion. At worst, the narratives suggest an uncertainty around whether they are being mistreated or indicate gender congruency (i.e., women being recruited or promoted into gender congruent roles). Although there were undoubtedly individual stories of discrimination and inequitable treatment, the broad picture is one that reflects perceptions of not being sure about whether they are being treated differently from their male colleagues or indicating that they were given gender congruent roles

Looking closer at the sector level, women in all sectors still determining if they are treated differently from men in recruitment and selection, with a range of scores from 44.84 to 57.42. Finally, regarding promotion women perceive equal treatment in regard to healthcare, professional services and other services, and are still determining differential treatment in the remainder of the sectors.

A similar story is conveyed when looking at the three country groupings, where women in all groups are unsure regarding differential treatment within retention, as well as in promotion for G1 and retention for G3.

Furthermore, women perceive equal treatment in retention processes in G1 and G2 as well as within promotion processes in G2 and G3.

If we look at countries within specific sectors, we see that the highest scores, are in G1 for retention in financial services and for recruitment in professional services where women perceive HR as engaging in forms of strategic favorable differential treatment to offset historical gendered disadvantages.

The only data that emerged which suggested negative and gendered differential treatment were for women working in G3 countries and specifically within STEM. These women shared stories of difficulties in securing work (i.e., recruitment) such that they perceived women were largely only selected into 'suitable' or gender-congruent roles, where they were seen to 'look the part'.

Human resource management needs to target male-dominated sectors, such as STEM, to ensure women have opportunities in hiring and selection processes so they can access employment. Similarly, providing organizational training and workshops would help eliminate challenging gender cultural norms that trickle into the implicit bias of hiring women into gender congruent positions and fields of expertise. When women's perceptions of recruitment and promotion gravitate towards feeling that they are receiving equal treatment, they will not only be retained in the workplace, but they will also be better represented and active contributors in leadership positions across all sectors in the Arab MENA.

3.1 Financial Impact

A case study of a global consumer goods company, Unilever, showed that their efforts to close the gender gap resulted in significant financial benefits. Unilever adopted a gender-balanced shortlist approach for all managerial positions, which increased the number of women in leadership roles by 45% within five years. This strategy contributed to a 10% increase in operating profit, reflecting the positive impact of gender diversity on financial performance (Unilever, 2018).

Moreover, a report by the International Finance Corporation (IFC) and the World Bank (2019) revealed that closing the gender gap in entrepreneurship could lead to an increase in global GDP by $5 trillion. This report emphasized the economic benefits of reducing gender disparities and promoting gender equality in the workforce, including financial returns at the macroeconomic level (IFC & World Bank, 2019).

Overall, research consistently indicates that closing the gender gap and promoting gender diversity through inclusive HR practices can positively impact on financial performance, profitability, and economic growth.

4. Work-Life Balance

In today's fast-paced work environment, numerous expectations are placed on all employees. These expectations emerge from many aspects of daily life, from meeting work performance goals, to self-care, to family and community obligations. There are roles and responsibilities that an individual is expected to fulfill, and these expectations often lead to a person feeling as though they are being pushed and pulled in a multitude of directions.

Under the current COVID-19 pandemic the expectations for care work falling on women has increased exponentially, and the support mechanisms have become almost non-existent after the economic downturn, and for many women in conflict and post-conflict countries of the region, the stresses are compounded.

Work-life balance is the division of a person's time and focus between Work, Family, Friends, Self, and Community. A person’s ability to achieve a positive sense of work-life balance relates to the ability to negotiate between the private and public realms of life and suggest an inherently interactional process, one that is embedded within specific social, economic, cultural, and political contexts that assigns meaning to various kinds of work and other activities in daily life. Work-life balance is, therefore shaped by both individual and contextual factors, a mix of psychological and social forces shaping a person’s sense of overall balance.

The Arab MENA regional average for work-life balance rests in the lowest category at 29.94, suggesting that female nationals feel that there is an absence of organizational support or strategies to support such a balance. Out of the six sectors only women within STEM and financial services report that there exists some support in the form of informal organizational mechanisms, with a score of 35.35 and 38.28, respectively.

The G2 country grouping (i.e., Jordan, Tunisia, Morocco, Lebanon) scores the lowest of the three at 20.60 suggesting that women perceive an absence of any support. Women in both G1 (i.e., Algeria, Libya Yemen, Iraq: 36.55) and G3 (Kuwait, Bahrain, and Saudi Arabia: 34.91) perceive those informal mechanisms as existing. Taken together, there is a regional need for HR managers and decision makers to explore and implement policies that support a balance.

Delving into each grouping specifically we see that the sector driving up G1 is financial services, while for G3 it is a mix of education, healthcare and financial services. on the other hand, healthcare and other services are driving G2’s score down substantively.

Female employees in the Arab MENA do not feel formally supported by their employers regarding fulfilling their obligations outside the workplace. Women across the region still take on a significant part of care and labor roles at home. If HR managers and decision makers want to retain women and attract female talent, they need to adopt conscious strategies that allow women to juggle commitments and experience better work-life balance. Using Sharia law, employers can framework-life balance within the commitments and norms of family life, thereby enforcing more flexible working hours and greater respect for women’s time and energy.

4.1 Financial Impact

A study by the Society for Human Resource Management (SHRM) (2019) found that organizations that promote work-life balance initiatives, such as flexible work arrangements and paid time off, tend to have higher levels of employee engagement and retention, which can positively impact financial outcomes. The study also revealed that employees who perceive their organization as supportive of work-life balance are more likely to be motivated and committed to their work, leading to improved performance and productivity (SHRM, 2019).

Moreover, a meta-analysis of multiple studies conducted by the National Study of Employers (2017) found that organizations that prioritize work-life balance and offer flexible work arrangements tend to have higher levels of employee loyalty, job satisfaction, and overall well-being. These positive outcomes can lead to increased productivity, reduced turnover costs, and improved organizational financial performance (National Study of Employers, 2017).

The table below examines the KIP metrics measured and their relevance to the gender metrics we will use to understand their impact on financial performance. The table shows how the use of KPI metrics measure the recruitment, retention, and promotion of women in the workplace, and how these metrics can be used to understand their impact on financial performance. One way in which KIP metrics were used was to understand the recruitment of women in the workplace is by analyzing the number of female applicants and hires. This information can be used to assess whether the recruitment process is inclusive and fair. Similarly, retention metrics were used to determine whether women are staying with the organization over time, and promotion metrics can be used to evaluate whether women are being given equal opportunities for career advancement. The aim of the gender metrics and the creation of a regression model will help show how the KIP index metrics can be used to understand their impact on financial performance

Table 4: Comparison of metrics and KIP index

Metrics	KIP index
1. Female labor force participation rate	Hiring
2. Educational attainment	Parity
3. Women's income and wealth	x
4. Gender pay gap	Policies, Parity
5. Unpaid work	x
6. Women entrepreneurs	x
7. Corporate gender diversity	Representation, Tenure, *Decision-Making,* Development Opportunities, Promotion, Recognition
8. Paid family leave	Policies, Parity
9. Women in politics	x
10. Women and technology	x

III. GENDER LENS INVESTING

Women are important to the global economy. The evidence is insurmountable. The case has been made. An important next step is to pair economic reality with the significance of women in investment analysis, or to delve deeper into GLI. The latter needs a consistent definition and broad understanding, and is replete with misconceptions, including the following: that GLI is only about investing in women; will ultimately underperform major benchmarks; is mostly about microfinance; and is just another approach to screen for stocks negatively. Reality is different. Simply put, GLI is the deliberate incorporation of factors relating to women's inclusion and equite into investment analysis and decisions.

Those of us in the financial services profession, which have been immersed in developing the practice of GLI chose the word gender because it encompasses biology and culture, and it invites analysis that includes men and women. We wanted to broaden the conversation from "investing in women" (women-owned or -led businesses) to look at all types of investment opportunities and how gender knowledge, including biological and cultural attributes and differences, can inform better decisions. The dialogue about time off to have children is a good example of how gender distinctions can be used to design more effective policies. Historically, even with national and regional differences in culture and politics, maternity leave policies and data collected by international institutions were all about women—their pregnancy and job security. Today data and studies of company and country policies reveal much more about the design of programs such as paid leave, daycare, and flexible work schedules and how they affect women, men, children, families, companies, countries, and costs

Since 2009, GLI has emerged as a system change effort to have gender matter in decision-making in financial markets (Maheshwari et al., 2019). It has taken root and grown in investment networks, philanthropic circles, advocacy organizations, and academic institutions.Traditional financial analysis mostly ignored gender considerations, and there have been significant imbalances in who has benefited from capital flows (Northridge, 2019). Demand has been growing for investment opportunities with a gender lens. However, for investors, organizations and philanthropists committed to broad-based social or system change goals, moving the capital to investments that screened for women on boards or to women-led businesses could be seen as important but not transformative (Hull, 2020). To engage these investors and philanthropists more deeply, leaders in GLI needed to change the frame and demonstrate how it can achieve meaningful and systemic gender-based social and economic change.

The field needed to develop tools and approaches to address the critical issues facing women and girls add value to financial analysis, and ensure that finance added value to systems change efforts to shift gendered power relations (Rubery, 2018). Leaders in the field have begun to engage gender experts and others working on gender issues to bring their knowledge, networks, and power together to build strategies for using finance as a tool for social change. The conversations started by focusing on the issue to solve, whether social or the wage gap, and moved to strategize how to use market systems and finance as a significant lever for social and economic change (Hull, 2020).

Feminist perspectives caution against a singular focus on profit alone in financial inclusion initiatives, highlighting the importance of considering dignity, sustainability, and justice. While financial inclusion is crucial for empowering marginalized communities, including women, a feminist lens highlights potential risks and challenges associated with profit-driven approaches. Financial inclusion programs should go beyond mere access to financial services and address the structural inequalities that perpetuate gender-based economic disparities. Simply pursuing profit can overlook the systemic barriers faced by marginalized groups, reinforcing existing power imbalances. Therefore, a more comprehensive approach is needed to ensure the dignity and well-being of individuals and communities.

Sustainability is a critical aspect to consider within the context of financial inclusion. Feminist scholars emphasize the need to prioritize long-term sustainability over short-term gains. This includes promoting inclusive economic models, environmental sustainability, and social justice. Sustainable financial inclusion aims to address the root causes of inequality and empower marginalized individuals by providing them with tools, resources, and opportunities for economic self-determination.

Justice is another key concern raised by feminists regarding profit-driven financial inclusion initiatives. They argue that justice should be central to any approach to empower marginalized communities. This entails addressing systemic discrimination, ensuring fair and equitable access to financial services, and challenging the power dynamics that perpetuate gender-based inequalities. A feminist approach to financial inclusion calls for a redistributing resources and opportunities to foster a more just and inclusive society. Linking sustainability and justice to financial inclusion recognizes the interconnectedness of economic, social, and environmental factors. It acknowledges that profit-driven approaches may inadvertently perpetuate existing inequalities. Instead, feminist perspectives advocate for transformative and inclusive financial systems that prioritize human dignity, promote sustainable practices, and strive for social justice.

By adopting a feminist lens, financial inclusion initiatives can be designed and implemented to respect individuals' dignity, address the structural barriers they face, and contribute to long-term sustainability and justice. It is through this holistic approach that financial inclusion can truly empower marginalized communities and promote a more equitable and inclusive society.

1. Defining GLI

(GLI is the deliberate incorporation of gender factors into investment analysis and decisions to achieve gender equitable social change and business outcomes (USAID, 2019). At SAWI, we define GLI as an approach to investing that targets and improves investment processes and structures in order to advance women's dignified and equitable inclusion in the workforce. Many other definitions of GLI have emerged, and all encompass the idea that gender cuts across all aspects of society, including economic and financial systems, and that all investments have gendered impacts. A gender lens can be applied to any type of investment, whether it is venturing capital, commercial loans or government bonds (Quinlan, 2016). This activity is not simply about philanthropy or basic regulatory compliance, but rather an opportunity to unlock economic power and drive market development, achieving financial return and value creation while delivering a quantifiable impact for gender parity (Roberts, 2017).

GLI is comprised of two broad categories (Value for Women, 2020):
The first category is based on investing intended to address and promote gender equity and inclusive and dignified workplace experiences. This includes investing in enterprises that promote workplace equity (in staffing, management, boardroom representation, HR structures, and along inclusive supply chains); or enterprises that offer products or services that substantially improve the lives of women and girls women-owned or women-led enterprises. Here, gender serves as a screening mechanism applied in identifying prospective investments.

The second category is based on integrating gender in investment decisions by a process that focuses on gender, or a gender equality strategy that examines different company's or organization's gender related components. This includes a process focusing on gender, from pre-investment activities (e.g., sourcing and due diligence) to post-investment monitoring (e.g., evaluation and exiting).This helps investors to detect assumptions embedded into the process and the hidden biases that influence the processes they follow, thus presenting them with an opportunity to address and overcome them.

Because there is no “one-size-fits-all” approach, investors and employers can use these actions as a reference and adopt all or a hybrid, depending on their starting points, motivations, and objectives (Roberts, 2017). Further, investors and employers can add more elements incrementally to increase their gender inclusion practices and gender impacts steadily.

GLI CATEGORY 1	1. Investing in employers that promote inclusion in representation, HR structures, reporting, and supply chains workplace equity 2. Investing in women-owned or women-led enterprises that ensure implementation and practice of inclusivity 3. Investing in employers that offer products or services that substantially improve the lives of women and girls
GLI CATEGORY 2	1. Adopting a process that focuses on gender, from pre-investment activities (e.g., sourcing and due diligence) to post-investment monitoring (e.g., evaluation and exiting) Adopting a gender equality strategy that examines and modifies gender related components of a company or organization

1.1 GLI Category 1: Investing with a gender impact
The first category of GLI works in a combination of three ways (Anderson et al., 2016). First, investments increase the funding available for female entrepreneurs, including funding women-owned businesses. For female entrepreneurs, intersectionality recognizes that their experiences are shaped not only by their gender but also by other intersecting identities. Women entrepreneurs from marginalized backgrounds may face compounded barriers due to the intersections of gender and other forms of discrimination. These include racial or ethnic discrimination, class-based inequalities, ableism, and more.

Intersectionality highlights the need to consider women entrepreneurs' diverse experiences and needs. It recognizes that gender inequalities are not uniform across all women and that solutions tailored solely to gender may overlook the specific challenges women from marginalized backgrounds face. For example, women of color may face additional hurdles in accessing capital, networking opportunities, and resources compared to their white counterparts.

Moreover, intersectionality emphasizes the importance of inclusivity and representation in entrepreneurial ecosystems. It calls for the inclusion of diverse voices and perspectives at all levels, including in leadership positions, funding organizations, and support networks. Recognizing and valuing the unique contributions of women entrepreneurs from different backgrounds can foster a more inclusive and equitable entrepreneurial landscape.

To address the challenges female entrepreneurs face through an intersectional lens, it is crucial to implement policies and initiatives that consider the intersecting dimensions of identity. This includes promoting access to funding and resources specifically tailored to the needs of women from diverse backgrounds, providing mentorship and networking opportunities that are inclusive and culturally sensitive, and fostering an environment that celebrates and values diversity.

By acknowledging the intersectional experiences of female entrepreneurs, organizations, policymakers, and support networks can work towards creating an inclusive and equitable entrepreneurial ecosystem that uplifts and empowers all women, regardless of their intersecting identities. Through such efforts, the full potential and contributions of diverse women entrepreneurs can be realized, leading to greater innovation, economic growth, and social impact. Second, funds can create employment opportunities for women while supporting companies that hire women, particularly in leadership positions, and businesses with a strong track record of employing women. Third, GLI can be used for companies that help women through products or services. By analyzing investment decisions using these three lenses, gender lens investors and employers can begin to assess the potential investments' impact on women (Value for Women, 2020).

A. Access to Capital for Women

Accessing capital is a significant issue women entrepreneurs face and a primary reason women-led enterprises fail. Women's access to capital can be increased by investing directly in women-led enterprises and by offering credit programs targeting women. Decades of research have documented significant gaps between women and men in accessing capital, from the ranks of household businesses seeking micro-lending to female entrepreneurs with scalable business models seeking venture funding (Northridge, 2019). Whether this disparity derives from selection biases, process hurdles, or opting out, one can reasonably assume that the gap is systemically driven and leans on both economic growth and innovation. Across funding models progress is being made and potential is being revealed around lessening the access to the capital gender gap.

B. Gender Equity in the Workplace

Investors can positively impact women by favoring enterprises that promote gender equity. Such enterprises may have women in leadership positions, have equitable wage and leave policies, or manage their supply chain in a gender equitable manner. When approached effectively, strategies for creating more equitable workplaces improve women's professional security and advancement opportunities, which slowly serves to undo the gender imbalances in the economic sphere (Hull, 2020). An investor who looks to support women with this lens scrutinizes gender equity within workplaces, making investment decisions based on their findings or using shareholder power to influence internal policies.

C. Products & Services that Benefit Women

This lens includes businesses that are focusing on promoting gender equality, delivering products or services relating to women's health, labor-saving technologies or devices,or learning tools to improve the skills and capabilities of women. In general, investments revealed through this lens respond to biologically or socially driven need particularly unique to female consumers (Özyol, 2020). Capital markets are infused with a mechanism, such as a gender lens to steer greater pools of capital towards these innovative business models and expand their scope and their impact.

There are several products and services that benefit women while aligning with environmental and other Sustainable Development Goals (SDGs). These initiatives address both gender equality and broader sustainability objectives. Here are some examples (Sharma, 2019), (UN Women, 2020):

A. Renewable Energy Solutions: Access to affordable clean energy is essential for women's empowerment and sustainable development. Renewable energy products and services, such as solar lamps, clean cookstoves, and off-grid energy solutions, reduce the environmental impact , and improve women's health, safety, and economic opportunities. They reduce indoor air pollution, provide lighting for studying or working at night, and enable income-generating activities.

B. Sustainable Farming and Agriculture: Promoting sustainable farming practices and supporting women farmers can enhance food security, reduce poverty, and protect the environment. Initiatives that provide training, resources, and access to markets for women farmers enable them to adopt climate-smart agriculture techniques, conserve natural resources, and contribute to sustainable food production.

C. Eco-friendly Personal Care Products: Women often play a significant role as consumers, and the demand for eco-friendly personal care products has been rising. Companies that offer organic, natural, and cruelty-free cosmetics, skincare, and hygiene products not only promote women's health and well-being but also contribute to reducing harmful chemicals in the environment and the protection of biodiversity.

D. Sustainable Fashion and Fair Trade: Women are both workers and consumers in the fashion industry. Sustainable fashion initiatives focus on ethical sourcing, fair trade practices, and environmentally friendly production processes. By supporting fair trade and sustainable fashion brands, consumers can contribute to empowering women workers, improving working conditions, and reducing the negative environmental impacts of the fashion industry.

E. Financial Inclusion and Microfinance: Access to financial services, including microfinance, can be a powerful tool for women's economic empowerment. Microfinance institutions and initiatives targeting women entrepreneurs provide access to capital, financial literacy training, and business support services. By promoting women's economic participation and entrepreneurship, these initiatives contribute to gender equality while fostering economic development.

F. Water and Sanitation Solutions: Access to clean water and sanitation facilities is crucial for women's health, dignity, and overall well-being. Initiatives that focus on providing clean water infrastructure, safe sanitation facilities, and menstrual hygiene management programs can significantly impact women's lives. They contribute to reducing waterborne diseases, improving educational opportunities for girls, and empowering women as agents of change in their communities.

These are just a few examples of products and services that benefit women while also aligning with environmental and other SDGs. By focusing on gender equality within the context of broader sustainability goals, these initiatives can potentially create positive social, economic, and environmental impacts.

1.2 GLI Category 2: Incorporating a gender lens within the investment process

The second category of GLI combines two ways that aims to achieve the same goal of integrating gender into investment decisions (GIIN, 2020). This can be done by a pre and post investment process that focuses on gender from pre-investment activities to post-investment monitoring, or by a gender equality strategy that examines and modifies gender related components of a company or organization.

A. Gender Lens Investment process

The GLI investment process consists of the pre and post investment stages. The pre-investment stage includes sourcing channels and due diligence. The post investment stage includes monitoring and evaluations, exiting and incorporating a gender equality strategy.

Pre-Investment

Sourcing Channels

Deal flow is a function of networks. Traditional models for pipeline development often rely upon informal referrals or recommendations through networks (Cheston et al., 2019). Most investor networks are male-dominated and gender imbalanced, often providing leads to male-dominated portfolio companies and funding calls that are tailored to men's availability and needs. For example, in many emerging markets, sourcing channels include events often held in a capital city after work hours during the weekday. This challenges women entrepreneurs with family care demands or where social norms do not support women's participation (Gutterman, 2020). It is important for investors and organizations seeking to improve opportunities for GLI to assess gender biases in their networks and review how they develop their pipeline. Investors can consider the collaborative network of the deal team and how sourcing channels are not meeting women's needs. Once addressed, the often-cited challenge of limited deal flow with a gender lens can be mitigated (Cheston et al., 2019). However, it is equally important to consider intersectional identities such as ethnicity, rural background, and socioeconomic status (SES) to ensure a comprehensive and inclusive approach to GLI.

Incorporating intersectional perspectives helps to address the overlapping forms of discrimination and disadvantage experienced by individuals with multiple marginalized identities. For example, research has shown that women from ethnic minority backgrounds often face additional barriers to accessing financial resources and entrepreneurial opportunities (Robb, 2020; Anderson & Wood, 2020). Similarly, women from rural areas and lower SES backgrounds may encounter unique challenges related to limited access to education, financial services, and networks (Brush et al., 2018; Schütz & Laskowski, 2019).

Considering these intersectional identities allows investors and organizations to develop strategies considers the specific needs and experiences of diverse women. It involves actively seeking out opportunities to engage with and support women entrepreneurs from different backgrounds, facilitating access to financial resources, mentorship, networks, and capacity-building programs tailored to address their specific challenges (Kirkwood & Walton, 2019; Carter et al., 2017).

By recognizing and addressing the intersections of gender with other social identities, investors and organizations can foster more inclusive and equitable approaches to GLI, enhancing opportunities for women entrepreneurs across various backgrounds and promoting sustainable economic growth (Brush & Cooper, 2012; Lapidus et al., 2018).

Due Diligence

Conducting due diligence with a gender lens gathers gender-related data and information from the potential investee company. This data is then analyzed to determine whether there are business performance opportunities or risks that may affect a company's operations, financials, and reputation (GIIN, 2020). A company that assesses for an opportunity where female customers or clients are currently underserved may have selected the gender lens to invest in companies committed to providing products that consider the distinct needs of women as a consumer segment or workplaces that are committed to advancing inclusion through implementing inclusive human resource structures. To effectively conduct due diligence with a gender lens, the team lead can follow two steps (Roberts, 2016): gather sex-disaggregated data to establish a baseline; and ask questions to assess gender-based opportunities and risks within the investee company operations and determine opportunities for value creation.

Post-investment

Monitoring and Evaluation
In portfolio management, the deal team's role in GLI is to support the investee company's leadership in achieving the inclusive policy, equity and dignity agreed upon in the deal agreement. The investee company is responsible for implementing an action plan to realize inclusive policy, equity and dignity. The investor is not typically driving the day-to-day process of ensuring activities to address gender-outcomes that are underway; instead,the investor receives progress reports (Gutterman, 2020). This is where investors work with their investees to support them in adopting and scaling a gender lens into their business practices, recognizing the substantial commercial and impact case for doing so. Additionally, investors require their investees to track and report against gender indicators to monitor whether the gender milestones agreed upon pre-investment have been achieved.

Exiting
The role of the investor when exiting a gender lens investment is composed of 3 components (Satar, 2019). First, investors must assess how an exit from the investee company may impact its gender lens strategy. Second, any returns on investments on the support provided by investors to achieve inclusive policy, equity and dignity must be calculated, including the influence that inclusive policy, equity and dignity have had on the commercial KPIs of the company. Third, maintaining the momentum of inclusive policy, equity and dignity achieved, so that they are not potentially lost under the leadership of the potential buyer. Given the nascent but growing field of gender-smart investing, these three components define a successful gender-smart exit (Value for Women, 2020).

B. Gender Equality Strategy

Considering the gender components of an organization can highlight financial risks, financial opportunities and financial levers for the company as a whole (Clesensio, 2020). It requires the employer or investor to examine their vision or mission to address gender issues, their organizational structure, culture, internal policies, and workplace environment, and their use of data and metrics for the gender equitable management of performance. Gender diversity benefits not only women by improving their spending power and living standards and significantly impacts an organization's productivity and success. One of the major benefits of improved gender equality in the workplace is a more cohesive and more productive workforce (WHO, 2019). As a starting point for developing a gender inclusive strategy, it is recommended that organizational members, starting with the leadership team, learn more about what gender equality entails and how it can benefit to their organization (Jaffe et al., 2019). An overarching gender equality strategy is important to ensure that discrete initiatives are complementary and working towards the overall goals of promoting gender equality in the workplace and supporting the organization's business priorities. The strategy examines and modifies the following components of a company or organization (Alleman, 2019):

- Their vision or mission to address gender issues
- Their organizational structure, culture, internal policies, and workplace environment
- Their use of data and metrics for the gender-equitable management of performance and to incentivize behavioral change and accountability
- How their financial and HR signify an overall commitment to gender equality

Focusing on gender perspectives is important, from due diligence to post-deal monitoring and reporting. Depending on the context and objective, this may require new tools or strategies focused on ensuring gender issues are proactively considered.

2. GLI Importance

GLI represents an opportunity to change finance systems, and to make the systems work to advance gender equity, economic opportunity, and women's empowerment as stand-alone goals (Gokhale et al., 2021). It took 25 years for the first $1 billion to be invested in public market gender lens investments. The second billion dollars took 12 months (Gutterman, 2020). Given the rapid expansion of the GLI ecosystem, the future looks bright for those committed to bending the arc of finance. There is an increasing evidence base that demonstrates that finance and investments can be tools to advance positive changes beyond only targeting women, such as: addressing growing business opportunities, economic growth, and sustainable development, and social impact (Rubery, 2018).

Inclusive HR Systems

By incorporating a gender lens, organizations can drive positive change toward gender equality within their workforce and the companies they invest in (Kramer, 2020). This approach enhances diversity and inclusion by valuing employees of all genders and promoting inclusive practices (Eisenhauer et al., 2019). It also helps organizations attract and retain top talent, including skilled women, by implementing inclusive HR policies that support work-life balance and career advancement opportunities (Gompers et al., 2020). One of the key benefits of gender lens investing is its ability to mitigate gender-based risks within companies (Morgan Stanley, 2019). By considering factors such as pay gaps, gender biases, and workplace harassment, investors can encourage companies to implement measures that address these risks and create a positive work environment (Sharma et al., 2019). This, in turn, contributes to improved employee satisfaction, reduced turnover, and increased productivity.

Moreover, gender lens investing aligns with the Sustainable Development Goals (SDGs) outlined by the United Nations. It supports SDG 5: Gender Equality by directing investments towards companies that actively promote gender equality and inclusive HR systems (United Nations, 2015). By advancing gender equality, gender lens investing has a positive impact on the economy and society at large. It helps reduce gender disparities, fosters financial inclusion for women, and contributes to overall economic growth and social well-being (Brush et al., 2019).

Growing Business Opportunity

Billions of dollars are held in assets under management within the components of GLI in both private and public capital markets, and the opportunities to mobilize capital and contribute to investments that seek to close gender gaps are promising and growing (Ngoasong et al., 2020). Although data is limited in emerging markets, some sources are increasingly tracking gender lens investments. Project Sage, a Wharton Social Impact Initiative with Catalyst at Large, tracks capital raised with a gender lens across private equity, venture capital, and private debt vehicles. This cleared $4.8 billion in 2019, up from $1.1 billion in 2017, and is increasing (Hunt et al., 2020). The same report found that in 2019, 138 investors were investing with a gender lens, up 58.6 percent from the previous year, reflecting increasing demand for GLI solutions. Regarding capital deployed, 2020 saw some tremendous new and achieved GLI allocations. The 2X Challenge, which is a global financing for women organization, celebrated its achievement of mobilizing $4.5 billion in gender lens investments in two years, exceeding by fifty percent its initial goal of mobilizing $3 billion by the end of 2020 (Gokhale et al., 2021).

These practices are significant not just for the scale of money moved but for their focus on deploying it where it will have maximum impact. Most successful GLI initiatives had Asia, sub-Saharan Africa and Latin America as their target investment geography, reflecting the importance of GLI across the globe (Ngoasong et al., 2020). Moreover, public market strategies with a gender lens are growing. According to Veris Wealth Partners, publicly available investment vehicles with a gender lens have increased 300 percent over the last four years (Hull, 2020). Across the investment ecosystem, institutional investors are increasingly reporting to have considered equal opportunity and diversity as factors in investment decision-making. Gender equality is also considered an integral part of GLI, and investor appetite for impact investing is as high as $26 trillion— $21 trillion in publicly traded stocks and bonds, and $5 trillion in private markets (Furlotti et al., 2019). This trend in both public and private capital markets is likely to continue as more investors understand and experience the compelling business case for GLI.

Social Impact

The social, economic, and health crises triggered by the COVID-19 pandemic escalated the acute need for public and private capital to be invested with a ‘gendered impact’ focus (Burki, 2020). In addition to the already persistent disparities in men’s and women’s wages, labor force participation, and access to financial services, the effects of the pandemic have disproportionately affected women, who are more likely to work in low-wage health and social care sectors (Clesensio, 2020). Research suggests that the effects of the pandemic could set progress for women back as much as six years (Ngoasong et al., 2020). Vulnerable women in developing countries have borne the brunt of the health and economic crisis. Nevertheless, emerging markets have seen the sharpest reversal in investment (including impact and non-impact), with over USD 90 billion of foreign capital exiting emerging markets from late January to late March 2020 (Ngoasong et al., 2020). The case for impact-focused recovery investments has never been stronger.

The lack of gender equity has been a systemic business and investment community issue. However, for some time now, there has been growing evidence that pursuing gender equity as an investor positively benefits investment, business, and society (Burki, 2020). GLI offers a road map for achieving greater gender balance and equity in organizations. Evidence suggests that greater gender equity and increasing women’s economic participation are associated with higher growth, more favorable development outcomes, and lower income inequality (Maheshwari, 2019). Access to critical products and services helps improve the quality of life for women and their families by reducing gender exclusive practices and providing benefits such as improved education and health outcomes, increased productive time, and better safety.

Economic Growth and Sustainable Development

Across the world, countries are losing a combined $160 trillion in wealth because of differences in lifetime earnings between women and men (World Bank, 2019). The SDGs put forward by the United Nations (UN) provide a global framework for addressing the most urgent global social, environmental, and developmental challenges (SDGs) (Azcona et al., 2020). SDG 5 is solely dedicated to achieving gender equality and is also relevant across all 17 SDGs. The 2019 SDG gender index finds that with just nine years to go until 2030, nearly 40 percent of the world’s girls and women, 1.4 billion, live in countries failing in gender equality (Haque & Jones, 2020). GLI presents greater opportunities for investors and organizations to contribute to the SDGs by addressing many of the development challenges, including women’s access to education, employment opportunities, water and sanitation, and reducing gender-based violence (Azcona et al., 2020).

Gender-focused products and services also represent significant economic growth. For example, based on a study of insurance firms in 10 emerging markets, the insurance sector could capture up to $1.7 trillion in new business by 2030 if insurance firms provide more products and services targeted at women (Hunt, 2020). GLI aligns with investors’ priorities of delivering strong financial performance, increasing shareholder value, delivering top line growth, widening access to high-quality products and services, and improving the performance of investments, both financially and in terms of environmental, social and governance (ESG) performance (Stoian et al., 2018). A study of 22,000 publicly traded companies found that an increase in women in leadership from zero to 30 percent correlated with a 15 percent increase in profitability (Greider et al., 2019). An example of GLI growth is the FemTech industry, which refers to software, products and services that use technology designed for women's health, such as pregnancy and nursing care, period care or sexual wellness. The sector grew from USD 57 million invested in 2012 to USD 800 million in 2019 (Rosas, 2019).

Reflection

Given that the business case for GLI is well established, and the fact that women around the globe have been impacted more severely by the pandemic, it is more important than ever for private investors, including private equity funds, to direct capital toward solutions that drive gender equality (Azcona et al., 2020) and inclusive HR systems. While the opportunity is promising, more clarity and guidance are needed by investors to understand and put into practice GLI. Research shows that promoting GLI can be encouraged by establishing gender equality as a internal HR respeonsibility, coupled with a clear economic benefit and a social impact case (Alleman, 2019). Setting an agenda for change through top-down leadership, creating space for dialogue, and making gender equality a personal and measurable priority both internally and across the portfolio is essential for businesses and investors (Oduol et al., 2017). Despite this strong case, many investors do not intentionally investwith a gender lens and are therefore missing out on significant impact and commercial opportunities. Whether at the investment or portfolio levels, greater gender diversity delivers better outcomes.

3. Drivers of GLI

Current interest in GLI is attributed to several drivers: the growing recognition and acknowledgement of gender inequality, increase in evidence of financial value creation through the socio-economic empowerment of women, and an improved policy environment (Clesensio et al., 2020). Incorporating gender inclusive policies and practices for women in the Arab MENA is essential to increasing their likelihood of participation and interest, especially in sectors that have been and continue to be predominately occupied by men. Employers must be aware of the advantages of having a gender-inclusive workforce, which allows for a cultural shift and introduces a range of perspectives that enriches conversations, ideas, and planning processes. Most importantly, it allows for a work environment to reflect society-at-large as it welcomes the consideration of various target groups, and half of the human capital in which we focus on this evaluation – women and formal work in the Arab MENA.

These factors also helped for gender-lens social investment, where 80% of funds adopting a gender lens approach today are less than five years old (Jackson et al., 2020). Similarly, investor profiles have also changed: from a landscape predominantly occupied by women, the gender-lens impact investing space has expanded to include institutional investors including private sector banks, impact investment firms, and multilateral financial institutions. Increasingly, smaller impact funds and investors are also adopting the profile of gender-lens social investment, where 80% of funds adopting a gender lens approach today are less than five years old (Jackson et al., 2020). Similarly, investor profiles have also changed: from a landscape predominantly occupied by women, the gender-lens impact investing space has expanded to include institutional investors including private sector banks, impact investment firms, and multilateral financial institutions. Increasingly, smaller impact funds and investors are also joining the fold (Young et al., 2021). joining the field (Young et al., 2021) to reassess the profile of the gender-lens social investment, where 80% of funds adopting a gender lens approach today are less than five years old (Jackson et al., 2020).(Young et al., 2021).

3.1 Widespread recognition of gender inequalities

With the growing awareness of gender inequalities worldwide, this has led to many countries, institutions and organizations to consider the ways to support gender equality and empowerment. The importance of gender equality and empowerment has been shown in the social impact, UN sustainable goals, the economic benefits of inclusive gender in the workforce and the rise of media campaigns.

A. Social Impact

The social impact of gender inequalities serves as a significant driver for Gender Lens Investing. These inequalities affect various aspects of individuals' lives, including education, health, political participation, and economic opportunities. By addressing and mitigating gender inequalities, societies can foster social cohesion, promote human rights, and enhance overall well-being.

One area where gender inequalities have a profound impact is in the workforce. Studies have consistently shown that gender diversity and inclusive human resource (HR) policies and structures benefit both women and organizations. Here are some statistics highlighting the benefits of such policies and structures on the well-being of women, as well as in the recruitment, retention, and promotion of women:

Improved well-being of women:

A study by Catalyst, a global nonprofit focused on advancing women in the workplace, found that companies with more women in leadership positions have better overall employee well-being and work-life balance. These organizations also reported lower turnover rates among employees, which positively impacted women's career trajectories and job satisfaction. (Catalyst, 2017)
Enhanced recruitment and retention:

Research conducted by McKinsey & Company (2020) revealed that companies with greater gender diversity in their executive teams were 21% more likely to outperform their industry peers in terms of profitability. This finding underscores the business case for gender diversity, as it attracts top talent and enhances the organization's reputation.

A study published in the Harvard Business Review (2021) showed that women were more likely to accept job offers from organizations with gender-equal policies and practices. Organizations that prioritize gender equality in their HR policies and structures are more likely to attract and retain talented women, leading to a stronger and more diverse workforce.

It is also essential to consider the burden of unpaid work and informal jobs that women often face. Women disproportionately shoulder the responsibility of unpaid care and domestic work, limiting their opportunities for economic advancement and professional development. According to the International Labour Organization (ILO), women perform approximately three times more unpaid care work than men globally. This unequal distribution of unpaid work creates barriers for women in accessing decent work opportunities and contributes to the perpetuation of gender inequalities. (ILO, 2017)

The social impact of gender inequalities has driven the recognition of the need for gender equality and empowerment. Inclusive HR policies and structures not only benefit the well-being of women but also contribute to improved recruitment, retention, and promotion of women in the workforce. Addressing the burden of unpaid work and informal jobs is crucial for advancing gender equality and creating more equitable and inclusive societies.

B. UN Sustainable Goals

The United Nations Sustainable Development Goals for 2030 adopted gender equality and female empowerment as the fifth goal for member countries. In turn,it catalyzed the formation of government policies and programs to promote women's economic empowerment (Arora & Mishra, 2019). Large corporates are also aligning operational strategies with SDG5 and have launched several programs towards achieving gender parity at the workplace and creating opportunities for women in their value chain. For instance, Unilever promoted women across its business value chain and aimed to empower 5 million women by 2020 through up-skilling and expanding opportunities in the retail value chain (Pandey & Kumar, 2020). In India, Unilever runs a rural direct-to-customer retail distribution initiative, Project Shakti to increase its rural network. The program has helped empower rural women financially, by creating livelihood opportunities, a regular income stream , and a self-sustaining model for micro entrepreneurs (Ngoasong et al., 2020).

C. Economic Empowerment as a Tool to Achieve Social Impact

Evidence suggests that greater gender equity and increasing female economic participation are associated with higher growth, more favorable development outcomes, and higher income inequality. Studies show that women spend almost 90% of their incomes on their families, compared to only 30-40% by men (UN Women, 2019). Therefore, investing in the economic empowerment of women has the potential to drive progress on not only SDG5, but also for several other goals; it will contribute towards eliminating poverty (SDG 1), reducing hunger and achieving food security (SDG 2), achieving good health and well-being (SDG 3), and fostering quality education (SDG 4) (Azcon et al., 2020). Governments, corporates and investors supporting SDGs hence invest in and work towards gender employment opportunities as it will also help achieve other social outcomes .

D. Rise of Media Campaigns

Over the last decade, growing awareness amongst women and access to better social and economic prospects over the last decade paved the way for global campaigns such as the "#MeToo" and "#TimesUP" movements. The ease and convenience of social media and the ubiquity of mobile phones have acted as an enabler to aggregate women's voice across various forums and reach out to a wider audience (Robertson et al., 2021). This has allowed gender discussions to grow as a movement, which was limited earlier given the mobility constraints women face. Further, movements such as the Deliver for Good campaign engaged different stakeholders to drive the investment case for advancing progress for girls and women .They led to widespread disclosures on gender pay inequity across companies (Nicholson et al., 2021). These media campaigns helped establish widespread recognition of the discrimination and sexual harassment issues that women face at the workplace and in other spheres of life, resulting in the creation of national level policies for gender equity and safety at the workplace. These efforts also helped direct funds toward providing access to critical resources for women through information dissemination, higher visibility in the workforce and encouraging the positive cycle of women leading women (Robertson et al., 2021).

3.2 Evidence of financial value creation through socio-economic empowerment of women

Considering gender and diversity in the workforce, policies, investment areas, environment and in the business world, has proven to be of great economic value, and supports positive social impact.

A. Improved business performance and profitability through gender diverse teams

Growing research backed evidence of improved financial returns by investing in gender diverse companies has led to adopting a gender lens in public market investments (Nekhili et al., 2017). Several studies have highlighted a link between women in senior leadership positions and better business performance. For example, a study by Catalyst, a global non-profit organization focused on empowering and accelerating women in business, where Fortune 500 companies with three or more corporate directors who are women, in at least four out of five years outperformed those with zero women directors, by 84% on return on sales, 60% on return on invested capital, and 46% on return on equity (Brooms, 2021).

B. Increase in women investors and entrepreneurs

The increase in the number of high-net-worth women and women in leadership positions who are invested in gender empowerment is driving the field of GLI (Mousa et al., 2021). Globally, women's wealth has shown unprecedented growth over the last decade. Women now control 32% of the world's wealth, according to Boston Consulting Group (BCG). This will rise at a compound annual growth rate of 5.7% to USD 97 trillion by 2024 (Karim, 2021). Research studies show that women have a greater interest in sustainable investing with positive socio-environmental returns, in addition to financial returns as compared to men. The increase in women's wealth and an interest in Socially Responsible Investing (SRI) is reflected in the increase in gender lens investments backed by influential/high net worth women globally (Afshan et al., 2021). Numerous venture capital and private equity funds are taking the lead in GLI, led by women as part of the executive and investment teams (Schillo & Eebrahimi, 2021). Additionally, the number of women starting business ventures has risen globally. Globally, 6.2% of women entrepreneurs own established businesses, about two-thirds the rate of men. The highest rates are seen in sub-Saharan Africa (11.3%) and Asia (9.1%) , with the lowest rates of established business ownership reported in MENA (4.5%), Europe (5.3%), North America (5.7%), and Latin America (6.5%) (Balachandra, 2021). The surge in the number of women entrepreneurs and women-backed ventures has led to an increased demand for capital and other forms of investment and a pipeline that has consequently attracted more investors into the sector.

3.3 Business case for empowering women as consumers

In 2021, women control over $ 31.8 trillion in worldwide spending, and by 2028, women are predicted to control almost 3/4th of all the discretionary spending worldwide (UBS, 2021). Since women comprise a large proportion of the business consumer base , several companies focused on building and customizing solutions to empower women. A 2020 Women Consumers Survey polled 1,000 women and found that the formula for winning with women goes far beyond developing gender-progressive advertising (Deloitte, 2021). Companies must transform their entire organization to provide women with financial access. For instance, in Nigeria,Women's World Banking partnered with Diamond Bank to design the BETA savings account for low-income women entrepreneurs (as the consumer of their banking products), who were shown to save more than 60% of their earnings (Mousa et al., 2021).

A. Improved policy environment

By 2030, professional and technical job opportunities in the Arab MENA are projected to double (McKinsey 2020), providing organizations across the region a means to address the significantly low women's labor participation rates (24.6%, half the global average) across the region. Women in the Arab MENA face several structural challenges that deter their access to employment, many of which could potentially be addressed if governments and organizations initiate policy. The COVID-19 pandemic has also exacerbated inequalities for women, resulting in even greater gender disparities that negatively impact their security, protection, health, and their economic stability (UNFPA 2020). To shrink this economic gender gap, policy reforms need to encourage, support, and remove structural barriers, allowing for greater legal protections and financial security for women (Mckinsey 2020).

In parallel with these projections, the United Nations Sustainable Development Goals (SDGs) have focused on pushing to "achieve gender equity and empower all women and girls" worldwide by 2030 (United Nations, SDG, 2015). These efforts are set to address several challenges that women face, on a global scale, including discriminatory laws, unrepresentativeness in leadership positions, and physical and sexual violence at disproportionate rates (1 in 5). These projections on gender parity indicate that there is a plethora of work to be done and they all point to strategic planning and development that are necessary for countries and organizations to help reach these goals.

Decreasing this economic gender gap in the MENA by just a quarter can raise the GDP by $55.3 trillion by 2025. In 2017, around 15 percent of women in the MENA region were part of the labor force compared to 36 percent, the next lowest ranked region (Dalacoura, 2019). This economic gender gap is projected to persist in the Arab MENA, despite the skilled and college educated women who overwhelmingly remain unemployed in the region. It is essential to unpack these trends in specific sectorsto investigate gaps and bridge pathways for gender equity and inclusion.

B. Gender pay equity

As per a study by the World Bank (2020), achieving gender parity in the workplace, specifically in terms of wages earned, is expected to result in an increase in the global GDP to US$ 160 trillion by 2025. Following increased discussions and widespread awareness of pay inequity across organizations, the UK, Germany, Australia and Nordic countries declared gender pay gap disclosure mandatory in 2018 (Yang, 2019). While most other countries have not made such disclosures mandatory yet, institutional investors and legislatures have been working toovercome this pay gap. Many governments such as the UK, Canada and Denmark have mandated improved representation of women in management, fair pay policies and flexible working hours for working women.

C. Consideration for gender in infrastructure development

Numerous studies revealed that the adverse effects of poor physical infrastructure or the lack of it are more pronounced in women than men. Where available, women benefit less than men from infrastructure, and are sometimes negatively impacted by "gender-blind" infrastructure development (Ferguson & Harman 2019). This is because men and women have different access needs and modes to public infrastructure. For instance, most men typically take a direct route home from work, whereas women may take multiple connections since they undertake household chores on the way home. Gender-aware infrastructure development increases women's opportunities and empowerment and potentially enhances project effectiveness, efficiency and sustainability (Dahl, 2020). SDG 9 also aims to promote inclusive and resilient infrastructure, which includes both men and women as stakeholders in this development. Organizations such as the World Bank and Asian Development Bank are working towards mainstreaming gender considerations in their infrastructure projects, both as workers and end-users so as to maximize project outcomes. An increasing number of infrastructure projects are being designed with gender considerations (UBS, 2020).

IV. GENDER AND FINANCIAL RETURNS

1. Problem Statement

Women have traditionally been underrepresented in top leadership roles in American firms, resulting in a "glass ceiling" that inhibits women's advancement to senior management and board positions (Chin, 2016; Chia, 2017). The lack of gender diversity on boards of directors has been attributed to unconscious gender bias that creates unseen barriers for women to join and advance in the leadership pipeline, particularly in corporate boards. "Board diversity" refers to the diversity inherent in a board's composition, including gender, age, ethnicity, country, educational background, industrial experience, and organizational membership (Campbell & Mánguez-Vera, 2008).

Board composition is a hot topic in corporate governance research, particularly in light of the global financial crisis, as it influences a board's effectiveness, its execution of functions, and ultimately a company's financial success (Abatecola et al., 2013). While studies have traditionally examined the percentage of insiders on the board, directors' and managers' tenure, share ownership of board members, the board size, and remuneration schemes to determine the impact of board composition on firm financial performance, recent studies have started to focus on whether board diversity improves board effectiveness and, as a result, business financial success (Mensi-Klarbach, 2014; Ntim, 2015).

Several studies have examined the impact of women on a firm's financial performance, including whether companies with women on the board outperform those with less gender diversity (Nielsen &Huse, 2010; Cook & Glass, 2014). However, the link between female participation on the board of directors and financial performance using data from publicly listed companies in the MENA region has yet to be studied extensively, highlighting a research gap.

The study's main objective is to explore the relationship between women's representation on the board of directors and financial growth in listed MENA companies. The study aims to achieve this by fulfilling the following objectives: (1) To assess the importance of gender diversity in the executive board in the current business landscape; (2) To investigate the impact of female participation in top management and its effect on the financial output of organizations; and (3) To examine the moderating effect of corporate social responsibility (CSR) on the link between women's representation on the board of directors and financial performance in MENA publicly traded businesses.

The study intends to fill a gap in the corporate governance literature by analyzing the impact of female board presence on business financial performance.in this area that needs to receive more attention. Additionally, the study will contribute to bridging the gap by providing policymakers in the MENA region with information to help improve trade-related policies. The findings of the study will also assist in determining the level of awareness about the promotion of females on the board of directors. Furthermore, the study is crucial not only from the financial and economic perspectives but also from the social and cultural viewpoints.

2. The Relationship between Gender Diversity in the Boardroom and Firm Financial Performance

Several scholars have explored the relationship between workforce diversity, particularly at the top management level, and business performance (Singh et al., 2008; Sarhan et al., 2019). It is expected that the participation of women in top management will have a positive impact on firm performance (Robinson, 2008). However, there are also arguments that diversity at the top management level can lead to lower group cohesion, increased employee absenteeism and turnover, and lower quality and performance, thus resulting in a decline in business value (Herring, 2009). The attributes of board members, such as their skills and abilities (Carter et al., 2007), educational and cultural background (Kusumastuti & Supatmi Sastra, 2007), potential involvement in multiple directorships, level of share ownership, and type of remuneration (Campbell & Mánguez-Vera, 2008), have an impact on the firm's performance (Carter et al., 2003).

According to Farrell and Hersch (2005), if women are in short supply on corporate boards, they will choose to serve on the boards of companies that perform better. Although the two variables may be endogenously determined, this implies a positive relationship between women's board participation and business financial success. However, other studies suggest that increasing gender diversity may harm a company's financial success. Homogeneous groups communicate more frequently because they are more likely to hold the same viewpoints (Earley & Mosakowski, 2000), and homogeneous groups are more cooperative and have fewer emotional conflicts (Williams & O'Reilly, 1998). As a result, increasing gender diversity among board members can create more viewpoints and critical issues (and hence more conflicts), which can slow down decision-making and make it less effective (Lau & Murnighan, 1998), a problem because markets require fast responses (Hambrick et al., 1996). Furthermore, Jianakoplos and Bernasek (1998) suggested that women are less risk-averse than men, while others have argued that women increase a firm's costs through increased turnover and absenteeism.

Gender diversity has been found to have a negative relationship with both Tobin's Q and ROA (Adams & Ferreira, 2009). Gender diversity improves performance in firms with lower board-size protection, but increased supervision (such as that exercised by diverse boards) hurts well-governed firms. The influence of diversity on a firm's financial performance varies depending on the company's characteristics, with more complex firms benefiting from board diversity while less complex firms suffer (Anderson et al., 2011). In their study of the relationship between female directors and financial performance in the United States, Dobbin and Jung (2011) found a negative link between gender board diversity and Tobin's Q, but no significant relationship between gender diversity and ROA. Alternatively, Erhardt et al. (2003) examined 112 major US firms and found a link between ROA and board diversity. Additionally, Ahern and Dittmar (2012) found that firms with all-male boards negatively influence on their valuation. However those with at least one female director have a favorable market response.

Overall, the impact of gender diversity on business financial performance is complex and varies depending on several factors, including the characteristics of the firm, board members' attributes, and other contextual factors.

2.1 Worldwide

The issue of gender diversity in the business world is gaining importance. Companies like Alibaba are working toward gender equality in the workplace, with women holding high-level positions in the company. However, women are still underrepresented on corporate boards in Asia due to family responsibilities and workplace cultures that don't prioritize gender diversity (Adams & Ferreira, 2009). Despite the financial benefits of having more women in leadership roles, discriminatory laws and lack of collateral mean that women-owned SMEs face a credit shortage of $300 billion annually (World Bank, 2017).

The fintech industry is rapidly transforming the financial sector globally, with digital technology making financial services more accessible and efficient (Demirguc-Kunt et al., 2018; Goldstein et al., 2019; Hau et al., 2019). Mobile payment, online lending, and online investing are more prominent in China than cryptocurrencies and cross-border payments (Xiao et al., 2017). However, while the fintech industry has made significant progress in financial efficiency and inclusion, it has also raised concerns about uncertainty, financial risks, and societal issues (Nanda & Kaur, 2016). Fintech has enabled SMEs and low-income families to access financial services like mobile payments, online loans, digital insurance, and investment products with reduced barriers to client acquisition and risk assessment (Xie et al., 2016). Some argue that fintech may give enterprises with a strategic edge in China's financial industry (Leong et al., 2017).

Overall, gender diversity and fintech are two important issues that are shaping the business landscape in China and worldwide.

This study examines the impact of female representation on the board of directors on financial performance in Chinese fintech companies. The research analyzes data from Shanghai and Shenzhen Stock Exchange-listed fintech firms between 2010 and 2019 using regression analyses in SPSS v26 (Ghafoor et al., 2022). The findings reveal that gender diversity, measured by the Blau index, has a significant negative effect on Tobin's Q, indicating that it harms the performance of Chinese enterprises. However, adopting corporate social responsibility (CSR) has a positive moderating effect on Tobin's Q, suggesting that it can transform the negative impact of gender diversity into a positive one. The study emphasizes the role of diversified board members in improving an organization's control and monitoring functions, while female-represented directors can contribute to CSR activities that enhance firm performance (Ghafoor et al., 2022). In conclusion, this research provides evidence that women's participation on the board of directors can enhance financial performance and highlights the moderating effect of CSR on the link between female representation and firm performance.

2.2 MENA region

According to McKinsey & Company (2020), women continue to face challenges in achieving gender equality, as they often do the majority of unpaid work and are not given the same level of assistance and opportunities as men. However, notable cases demonstrate the positive impact of women at work, particularly when they hold executive positions or are members of boards of directors.

There is a scarcity of research on board gender diversity in the Middle East and North Africa (MENA) region, particularly in Palestine, according to Zaid et al. (2020). Therefore, their study aims to investigate the impact of board gender diversity on the performance of Palestinian non-financial listed firms, adding new evidence from an emerging Middle Eastern country to the existing literature. The study also considers the distribution of the firms' performance and allows for heterogeneity in the impact of board gender diversity. Other studies in the MENA region include Abdel Zaher and Abdel Zaher (2019), Issa et al. (2019), and Kanakriyah (2021). Salloum et al. (2019) noted that cultural and ethical practices, traditions, and beliefs in the MENA region have historically harmed women's growth and secured men's supremacy.

According to Sarhan et al. (2019), gender diversity on boards positively impacts corporate financial performance, as evidenced by their study of 100 individual enterprises from Egypt, Jordan, Oman, Saudi Arabia, and the United Arab Emirates from 2009 to 2014. Similarly, Abdel Zaher and Abdel Zaher (2019) found that women on boards have a beneficial impact on the performance of publicly traded firms in Egypt, while Issa et al. (2019) found similar results in Kuwaiti firms listed on the stock exchange and Kanakriyah (2021) found the same for Jordanian listed firms. Iren (2016), Abdel Zaher and Abdel Zaher (2019), and Chebri and Basoussa (2020) obtained comparable results for listed firms in the UAE, Egypt, and Morocco, respectively. Given the contradictory and inconsistent results in previous literature, this study aims to provide new evidence on the relationship between board gender diversity and firm financial performance in Palestinian non-financial listed firms in the MENA region while accounting for heterogeneity in the impact of board gender diversity and the distribution of firm performance (Zaid et al., 2020).

3. The Moderating Role of CSR

Maqbool and Zameer (2018) defined Corporate Social Responsibility (CSR) as incorporating social and environmental concerns into business operations to foster voluntary interaction among board sizes. CSR has become increasingly crucial for firms, as it enhances their competitiveness. According to stakeholders and agency theories, CSR is a vital to improving financial performance. Galant and Cadez (2017), Oyewumi et al. (2018), and Al-Hadi et al. (2019) investigated the impact of CSR on financial performance. Akben-Selcuk (2019) studied the influence of CSR on a developing country's financial performance, Turkey, and found through regression analysis that CSR significantly and positively influences financial performance.

CSR activities also reduce financial distress risk and save companies from bankruptcy, as stakeholders such as investors, board members, government, and others provide support (Boubaker et al., 2020). The literature also affirms the positive impact of female managers on a firm's performance. Diversified management can bring unique potential, skills, and talents to the board, increasing profitability and value (Carter et al., 2008). Gender diversity improves problem-solving skills and decision-making by incorporating diverse perspectives into board discussions (Campbell and Mánguez-Vera, 2008; Carter et al., 2003). A diverse board of directors with diverse skills, cultural backgrounds, and genders offer strategic resources to enhance firm performance (Ujunwa et al., 2012).

CSR requires firms to use funds and resources to promote social improvement, enhancing the organization's performance by gaining valuable resources, attracting and retaining higher-skilled employees, developing opportunities, and contributing to social legitimacy (Yasser et al., 2017). Al Fadli et al. (2019) reported that diversified board members improve control and monitoring of organization activities and disclosure practices, enhancing board-size group interests. Diversified boards are also engaged in CSR activities and reporting, enhancing corporate transparency, voluntary information, and facilitating better engagement among the board-size group, and ultimately improving financial performance. Studies have been conducted to evaluate the moderating role of CSR on gender diversity and financial performance (Arujunan et al., 2018; Jiang et al., 2020; Saleh et al., 2021). Jiang et al. (2020) studied the moderating role of CSR on gender diversity and a firm's financial performance in an emerging economy.

V. CORPORATE GOVERNANCE

Policymakers and practitioners are starting to embrace the idea that increasing women's participation in corporate leadership is a means to achieve the inclusive economic growth needed to boost the region's competitiveness. Closing the gender gap in labor force participation by 2025 could add USD 12 trillion (26%) to the global GDP. In the MENA region, estimates suggest this could take as long as 157 years, given current trends (Arayssi & Jizi, 2019). Implementing gender diversity on boards is not only fair and morally correct, but also, a matter of good business. Building gender equality into corporate governance and board leadership translates into tangible success for companies. In fact, a study developed by the International Labour Organization (ILO) found that companies with gender-balanced boards are approximately 20 percent more likely to have improved business outcomes (ILO, 2019). Companies and organizations that implement gender-diverse boards stand to benefit in several ways. Gender equal participation on boards contributes to a diversity of opinion in company-wide decision-making. It eliminates homogeneous ways of thinking and decision-making, and promotes diverse perspectives and better decision-making. Research into gender diversity on boards finds that having at least three women on corporate boards enhances innovation (Adeabah et al., 2019). Gender diverse boards tend to be more active in overseeing the company's strategic direction and in reinforcing accountability through audits and risk management. Diversity also has positive spin-offs on employee satisfaction, company productivity and customer satisfaction. Gender-balanced leadership is also associated with stronger corporate governance.

The concept of boardroom diversity has gained much attention in the past few years. Companies in the MENA region should work proactively to bring diversity to the boardroom and consider opinions regardless of gender, age, etc. (Kamp, 2020). Boardroom diversity has been gaining focus as the concept of corporate governance is gaining strength. There are many facets of boardroom diversity but gender diversity in particular is catching the attention of various companies (Kamp, 2020). Ideally board composition should match the company's strategic needs, which change as the business environment changes and the companies evolve (Haque, 2020). Moreover, the shareholders and the key people also attach importance to the value that diverse perspectives bring, including those related to racial diversity and gender diversity.A strong corporate governance framework is essential for MENA economies as they strive to boost economic growth, strengthen competitiveness and build prosperous societies (Mertzanis et al., 2019). An OECD (2019) report assesses the corporate governance landscape in the MENA region by identifying challenges and proposing policy options for reform. The report found that MENA economies have strengthened corporate governance frameworks in recent years.However, the region still faces challenges in adopting and implementing corporate governance measures that support economic efficiency, sustainable growth and financial stability (OECD, 2019).

It is essential to understand the importance of corporate governance in the investment decision-making process and investigate whether investors depend on corporate governance nformation and whether corporate governance mechanisms are significant to them. The study "Gender Wise Saudi Investors' Awareness of Corporate Governance Mechanism and Its Importance in Their Investment Decision Making – An Empirical Study" (Al-sagar & Samontaray, 2018) highlights the impact of poor corporate governance on the global economy and the need for better corporate governance and transparency among Saudi Arabian companies. The Capital Market Authority (CMA) issued the Corporate Governance Regulations in 2006 to address these issues. The study stresses on the importance of studying the awareness and understanding of corporate governance concepts among male and female investors, given the low percentage of women involved in the labor market and wealth investment.

Investors in the MENA region must understand corporate governance concepts and mechanisms to make informed investment decisions. This can be achieved by researching and examining how companies adhere to corporate governance principles before investing in them. The media should also play a vital role in educating the public about the meaning and significance of corporate governance. The Capital Market Authority (CMA) can also use the research findings to make necessary changes and increase investors' awareness of corporate governance by conducting periodic lectures and distributing related publications. While some investors may acknowledge the importance of corporate governance mechanisms, they still need to base their investment decisions solely on corporate governance information and factors. Therefore, further education and awareness-raising efforts are required to help investors make more informed decisions.

The following section provides definitions of corporate governance and explains the important mechanisms related to ownership structure, board of directors, disclosure, and transparency. Investors, especially in developing countries, need to a clear definition of corporate governance and only sometimes depend on information related to corporate governance for their investment decisions. Finally, this section presents recommendations for future research.

1. Definition

The concept of corporate governance is defined as the system by which organizations are directed and controlled, as well as the exercise of power over corporate entities. Corporate governance is important for improving economic efficiency and growth and enhancing investor confidence. It involves a set of relationships between a company's management, its board, its shareholders, and other stakeholders. The structure provided by corporate governance should ensure that the company’s objectives are set, means of attaining those objectives are determined, and performance is monitored effectively. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the best interests of the company and its shareholders while facilitating effective monitoring.

Corporate governance refers to the framework of rules, regulations, and principles that aim to ensure effective management and control of companies. It involves the relationship between the shareholders, the board of directors, and the company’s management (OECD, 2019). Corporate governance is crucial in investment decisions, as it can impact the company's financial performance, reputation, and sustainability in the long run (Ibrahim et al., 2020). Moreover, companies with strong corporate governance practices are perceived to have better risk management and accountability (Wang & Qian, 2019).

2. Mechanisms

A. Ownership Structure

To summarize, corporate governance is how organizations are directed and controlled. It involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. The ownership structure is a key element in corporate governance and can be either concentrated or dispersed, depending on the legal system and the level of protection for minority shareholders in a particular country. In widely-held corporations, the risk-bearing function of ownership and the managerial function of control are separate functions performed by different parties. Corporate governance also involves mechanisms through which outside investors protect themselves against expropriation by corporate insiders, and high insider ownership is often associated with management entrenchment and expropriation of firm resources.

The ownership structure is an important element in corporate governance as it affects the power distribution and decision-making within a company. For women investors, the ownership structure of a company can be particularly important as it can impact the level of diversity and representation at the board and management levels. Companies with more women on their boards tend to have better financial performance and governance practices (OECD, 2019). Therefore, a diversified ownership structure that includes a significant number of women shareholders can potentially lead to greater diversity at the board and management levels, which can in turn positively impact company performance and decision-making.

B. Board of Directors

It is important to note that while the board of directors is a key component of corporate governance, it is not the only mechanism. Other mechanisms include internal controls, external audits, regulatory bodies, and shareholder activism. The effectiveness of these mechanisms depends on various factors, such as the legal and regulatory environment, ownership structure, and organizational culture. Overall, corporate governance is a complex and multifaceted concept that involves various actors and mechanisms, and its effectiveness depends on various internal and external factors.

An inclusive board of directors is important in corporate governance for women because it provides a platform for gender diversity, leading to better decision-making and performance (Catalyst, 2019). Gender diversity brings different perspectives, experiences, and skills to the table, which can lead to more innovative solutions and better risk management. Furthermore, a McKinsey & Company (2020) study found that companies with diverse boards of directors were likelier to have policies and practices promoting gender diversity throughout the organization. This includes initiatives such as mentoring programs, flexible work arrangements, and family-friendly policies. These policies and practices can help attract and retain female employees, which is important for the long-term success of the company.

In summary, an inclusive board of directors is important for women in corporate governance because it promotes gender diversity, which leads to better decision-making and performance, and encourages policies and practices that support the retention and advancement of women in the organization.

C. Board Size

In addition to board size, the board's composition can also affect its effectiveness. According to a report by Spencer Stuart (2019), the percentage of women on S&P 500 boards has increased from 15.6% in 2010 to 26.5% in 2019, indicating a positive trend toward gender diversity on boards. Research suggests that gender diversity on boards can lead to better decision making and improved financial performance (Carter et al., 2016; McKinsey & Company, 2015). Furthermore, diversity in terms of age, ethnicity, and professional background can also bring different perspectives to the boardroom, leading to more effective governance (Hillman & Dalziel, 2003; Tosi et al., 2003).

An inclusive board size in corporate governance is important for women as it gives them equal representation and a voice in decision-making processes. According to a study by Terjesen, Couto, and Francisco (2019), a larger board size positively affects gender diversity, allowing more women on boards. Additionally, a larger board size can provide a broader range of perspectives and expertise, leading to better decision-making and improved company performance (Terjesen et al., 2019).

Moreover, an inclusive board size can also help to address gender biases and promote diversity and inclusivity in the workplace. This can improve company culture and increase employee satisfaction (Terjesen et al., 2019). Research by Singh and Vinnicombe (2021) also suggests that an inclusive board size can help to mitigate the adverse effects of tokenism and improve women's experiences on boards.

In summary, an inclusive board size is important for women as it promotes gender diversity, improves decision-making, and fosters inclusivity and diversity in the workplace.

D. Board Composition

Additionally, Carter et al. (2003) found that the presence of outside directors on the board is positively related to firm performance. However, this relationship may be influenced by factors such as CEO duality and board size. Similarly, Dalton et al. (1998) found that a higher proportion of outside directors on boards is associated with better financial performance. However, Daily & Dalton (1993) argue that too much outside representation can result in a lack of industry knowledge and insider expertise on the board, which can harm the firm's performance. Ultimately, the appropriate balance of inside and outside directors on the board may depend on the specific characteristics and needs of the firm.
An inclusive board composition is important in corporate governance concerning women because it promotes gender diversity and can lead to better corporate performance. Research shows that companies with diverse boards, including gender diversity, tend to outperform those with homogeneous boards (Erhardt, Werbel, & Shrader, 2003; Catalyst, 2018). Having women on corporate boards also provides role models for women in the workplace, encourages greater gender equity, and promotes a broader range of perspectives and ideas in decision-making (Catalyst, 2020).

Furthermore, women make up roughly half of the world's population and workforce, and their perspectives and experiences are essential in shaping the strategic direction of companies. Withwomen's representation on corporate boards, companies can avoid overlooking key issues and perspectives that can negatively impact their bottom line (McKinsey & Company, 2020).In addition, having more women on corporate boards can help to address gender disparities in leadership positions and promote more equitable opportunities for women in the workplace (World Economic Forum, 2020).

Overall, inclusive board composition is essential for promoting gender diversity and improving corporate performance, as well as advancing gender equity and addressing disparities in leadership opportunities for women.

E. Board Committees

The audit committee typically oversees financial reporting and compliance issues, and external audits . The nominating committee identifies and recommends potential new directors for the board, while the compensation committee sets executive compensation policies and approves specific compensation packages (Bilimoria & Piderit, 1994; Blair, 1995; Davidson et al., 2004).

In recent years, increased attention has been paid to the role of additional committees, such as the corporate governance committee, which oversees corporate governance policies and practices, and the social responsibility committee, which focuses on the company's ethical, environmental, and social impact. These committees can play an important role in promoting transparency, accountability, and sustainability within the company (Al-sagar & Samontaray, 2018)

Women in leadership positions also benefit the broader workforce by creating a more inclusive and equitable workplace culture. When women see other women in leadership roles, it can inspire them to pursue leadership positions themselves and can help to reduce gender bias and discrimination (Grant Thornton, 2021). Moreover, an inclusive board committee can help to address gender disparities in the workplace by promoting policies and practices that support women's career advancement and work-life balance (Deloitte, 2020). This can include initiatives such as mentoring programs, flexible work arrangements, and pay equity policies.

In addition, an inclusive board committee can provide a platform for women to raise issues that may be unique to their experiences, such as workplace harassment or discrimination. . Companies can more effectively identify and address these issues by having a diverse range of perspectives at the highest levels of an organization (Harvard Business Review, 2021).

Overall, an inclusive board committee is essential for promoting gender diversity, improving financial performance, creating an inclusive and equitable workplace culture, and addressing gender disparities in the workplace.

F. Executive committee

The audit committee is highly influential as it can decide make decisions on numerous issues on behalf of the entire board, even between meetings. Bilimoria & Piderit (1994) note that the gender composition of committees is intertwined with their membership, with women often being assigned to specific committees while men are more frequently appointed to powerful and strategic ones.

This observation is consistent with studies that suggest women are often underrepresented on boards and in leadership positions (Catalyst, 2021). The lack of gender diversity on powerful committees can limit the perspective and experiences brought to the decision-making process and potentially lead to suboptimal outcomes. Therefore, efforts to increase diversity in committee membership can be beneficial to the board and the organization as a whole. An inclusive executive committee is crucial in corporate governance as it promotes diversity, equity, and inclusion at the highest levels of an organization. An inclusive executive committee can help organizations to address systemic issues related to gender, race, and other forms of identity that have historically resulted in a lack of representation and opportunity at the executive level (McKinsey & Company, 2021).

An inclusive executive committee is also important for addressing issues that are unique to underrepresented groups in the workforce. For example, women may face specific challenges in the workplace related to bias, discrimination, and lack of opportunity. Having diverse representation on the executive committee can help to identify and address these issues, leading to a more equitable and inclusive workplace culture (Harvard Business Review, 2021). Moreover, an inclusive executive committee can help organizations to better connect with their diverse customer base. Companies that understand and reflect the diversity of their customer base are more likely to be successful in the long term (Credit Suisse, 2020).

In summary, an inclusive executive committee is essential for promoting diversity, equity, and inclusion in corporate governance. Diverse representation at the executive level can lead to better decision-making, improved financial performance, and a more inclusive workplace culture.

G. Audit committee

The audit committee's primary responsibility is to ensure the independence and effectiveness of external auditors, monitor the activities of internal auditors, and review the financial statements. Companies can benefit from having audit committees, according to Lutzy (2003). Companies in industries with financial statement fraud are found to have fewer audit committees, less independent audit committees, or fewer audit committee meetings, according to Beasley et al. (2000).In the past, it was suggested that the most effective approach for an audit committee was to have all members consist of independent directors. The law defines the term "independence" as someone who is not a company employee and does not receive any compensation from the company other than their director‘s compensation.

An effective audit committee can help to enhance the transparency and accountability of an organization. It can also improve the confidence of investors, stakeholders, and other parties in the company’s financial reporting process (PWC, 2019). In terms of its impact on women in the workplace, an audit committee can play a critical role in promoting gender diversity and inclusion. An audit committee that is diverse and inclusive can help to identify and address issues related to gender and other forms of bias in the organization's financial reporting and control systems. For example, women may face barriers to advancement in the accounting and finance professions due to stereotypes and unconscious bias (KPMG, 2019).

Furthermore, an audit committee that values diversity and inclusion can contribute to a culture that supports women's career development and advancement. This can include initiatives such as mentoring and sponsorship programs, flexible work arrangements, and pay equity policies (PWC, 2019). In summary, an effective audit committee promotes transparency, accountability, and good governance in an organization. A diverse and inclusive audit committee can also promote gender diversity and inclusion in the workplace.

H. Nominating committee

The nominating committee, also known as the governance committee, oversees the recruitment process to ensure the board's independence (Branson, 2007). This involves identifying and selecting qualified candidates to be nominated to the board. An effective nominating committee can play a crucial role in promoting diversity and inclusion, particularly in terms of gender representation, on the board of directors (MSCI, 2018).

The nominating committee can help to identify and address barriers to women's representation on the board of directors, such as gender bias, discrimination, and lack of opportunity. This includes actively seeking out qualified women candidates and considering factors such as their skills, experience, and perspectives (Harvard Business Review, 2019). Furthermore, a nominating committee can promote a culture supporting women's career development and advancement. This can include initiatives such as mentoring and sponsorship programs, flexible work arrangements, and pay equity policies (NACD, 2018).

In summary, an effective nominating committee is critical in promoting diversity and inclusion on the board of directors and supporting women's career development and advancement.

I. Compensation committee

The primary focus of the compensation committee is to oversee the compensation packages for executive officers, directors, and employees of the company. As per Branson (2007), this committee must be independent. The compensation committee is an essential component of corporate governance, responsible for overseeing executive compensation, including salaries, bonuses, stock options, and other benefits. The committee also ensures that executive compensation aligns with the organization's performance and shareholder value (Investopedia, 2021).

Regarding the impact on women in the workplace, a compensation committee can contribute to promoting gender pay equity and reducing the gender pay gap. Women are often paid less than men for the same job, even when their education, experience, and performance are comparable (World Economic Forum, 2020). An effective compensation committee can help to address these issues by establishing policies and procedures that promote pay equity, including salary benchmarking, regular pay reviews, and transparency around pay practices (Harvard Business Review, 2018).

Furthermore, a compensation committee can promote a culture that supports women's career development and advancement by aligning executive compensation with the achievement of diversity and inclusion goals, such as increasing the representation of women in leadership roles (NACD, 2018).
In summary, a compensation committee ensures that executive compensation is aligned with the organization's performance and shareholder value. A compensation committee can also contribute to promoting gender pay equity and supporting women's career development and advancement.

3. Recommendations

3.1 Awareness of Investors about Corporate Governance Concepts
Awareness of investors about corporate governance concepts is important as it can significantly impact on the financial performance and sustainability of companies. Investors who are knowledgeable about corporate governance are better equipped to make informed investment decisions and can help to hold companies accountable for their actions (OECD, 2019).

Investors who are aware of corporate governance concepts are more likely to invest in companies that prioritize ethical and responsible business practices, as they recognize that these companies are more likely to generate sustainable long-term returns (Harvard Business Review, 2017).

Furthermore, investors can influence companies to improve their corporate governance practices by engaging with them through shareholder activism and proxy voting. By advocating for improvements in areas such as board diversity, executive compensation, and risk management, investors can help to enhance corporate governance's effectiveness (NACD, 2018).

Awareness of investors about corporate governance concepts is critical in promoting ethical and responsible business practices, enhancing the effectiveness of corporate governance, and promoting sustainable long-term returns.

Six corporate governance concepts should be examined to determine the level of investors' understanding. The concepts are as follows:

A. Refers to the rules and structures that govern the relationship between a company's management and shareholders.
B. Refers to the system by which companies are controlled and managed.
C. Refers to the formalizing of the roles and responsibilities of managers and owners within the company. The inappropriate concepts are:
D. Refers to the government owning at least 5% of the shares in a listed company.
E. Refers to the government appointing members to represent it managing insolvent companies.
F. Refers to the idea that corporate governance is not significant or necessary for companies.

3.2 Dependence of Corporate Governance Information on Investment Decision

The dependence on corporate governance information on investment decisions is critical to the investment process. Corporate governance information, such as board composition, executive compensation, risk management, and ethical practices, provides investors with insights into a company's management practices, culture, and overall effectiveness (SEC, 2021).

Investors who consider corporate governance information when making investment decisions can better assess the potential risks and opportunities associated with a company's operations, financial performance, and long-term sustainability. In turn, this can help investors to make more informed investment decisions, potentially leading to better returns and reduced exposure to risk (OECD, 2019).

Moreover, the dependence on corporate governance information on investment decisions can influence companies to improve their corporate governance practices. Companies that prioritize corporate governance and are transparent in their disclosure of governance information are more likely to attract and retain investors who value ethical and responsible business practices (Harvard Business Review, 2017). The dependence on corporate governance information in investment decisions is a critical aspect of the investment process that can help investors to make informed decisions and promote ethical and responsible business practices.
The most important factors are influencing investors' trust in corporate governance mechanisms. The following six factors are identified as the most important:

A. Changes in ownership by major shareholders
B. The company's commitment to appoint between three and eleven members to the board of directors
C. The presence of independent and non-executive members on the board of directors, in addition to executive members
D. Full disclosure of compensations received by the Board of Directors members
E. Disclosure of essential information by the company regarding developments and major events
F. Transparency of the company

3.3 The Importance of Corporate Governance Mechanisms for Investors

Investors can gain insights into a company's management practices, culture, and overall effectiveness when examining corporate governance mechanisms,. This can help investors to assess the potential risks and opportunities associated with a company's operations, financial performance, and long-term sustainability. In turn, this can help investors to make more informed investment decisions, potentially leading to better returns and reduced exposure to risk (OECD, 2019).

Investors can use their influence to advocate for improvements in corporate governance mechanisms related to gender diversity. Through shareholder activism and proxy voting, investors can engage with companies to promote changes in areas such as board diversity, executive compensation, and talent development (NACD, 2018).

Corporate governance mechanisms are critical for investors to ensure that companies are managed ethically and responsibly. When examining these mechanisms, investors can gain insights into a company's management practices, culture, and overall effectiveness, leading to better-informed investment decisions. In addition, corporate governance mechanisms related to gender diversity can help investors identify companies committed to promoting diversity and gender equality in the workplace, potentially leading to better long-term performance.

To determine the significance of corporate governance mechanisms for investors, eight statements that pertain to the most crucial corporate governance mechanisms should be examined. These statements are as follows:

A. The number of individuals serving on the board of directors.
B. The presence of non-executive and independent members and executive members on the board of directors.
C. The ownership of the company by the government or sovereign funds.
D. The disclosure of board members' compensation.
E. The presence of a nomination and compensation committee in the company.
F. The overall transparency of the company.

4. GLI and ESG

Gender and environmental issues are two critical ESG factors that significantly impact corporate governance. Studies have shown that companies with more diverse boards and senior leadership teams are more likely to prioritize sustainability and environmental concerns. GLI can lead to investments that benefit both women and the environment, while environmental issues can also affect gender equality. Therefore, a gender-sensitive and environmentally conscious approach to investment decisions is crucial for creating positive social, economic, and environmental outcomes. Additionally, we recommend using the KIP Index as a metric that covers the social dimension in ESG, where investors can direct investments to certain companies.

Having women in leadership positions can help promote a more sustainable and responsible corporate culture. Environmental issues are also critical ESG factors that can influence corporate governance. Companies prioritizing environmental sustainability are more likely to implement effective governance practices that consider the long-term impact of their operations. Effective environmental governance practices can help companies avoid negative environmental impacts, which can lead to reputational and financial risks. Corporate governance, gender, and environmental issues are all important ESG factors that are interconnected. Companies prioritizing these issues are more likely to have effective governance practices that consider the long-term impact of their operations and contribute to a more sustainable future.

Moreover, research by Brown and Clapp (2019) suggests that gender norms and roles have a significant impact on the environment. For example, traditional gender roles assign men as providers and women as caretakers, leading to an unequal distribution of labor and resources. This unequal distribution often results in environmental problems such as the overuse of resources and unsustainable practices. Studies have shown that the environment also affects gender relations. For instance, climate change-induced natural disasters can have a disproportionate impact on women and children due to gendered social roles (Kabeer, 2019). Similarly, environmental degradation can lead to conflict and displacement, which can have severe consequences for women and other marginalized groups (McDowell, 2019).

Gender roles and norms affect how natural resources are used and managed, while environmental degradation can disproportionately impact on women and other marginalized groups. Therefore, it is crucial to take a gender-sensitive approach to environmental management and conservation efforts. In terms of GLI and the environment and their impact on each other, according to a study by Maier and Schäfer (2018), GLI involves taking into account gender considerations when making investment decisions. The study suggests that GLI can lead to investments that benefit both women and the environment. For example, investing in companies that promote gender equality and environmental sustainability can create positive social and environmental impacts.

Moreover, research by Bugg-Levine et al. (2020) suggests that GLI can contribute to a more sustainable and resilient future for the planet. The study highlights that women are disproportionately affected by climate change and environmental degradation due to gendered social roles and limited access to resources. Therefore, investing in companies that promote gender equality and environmental sustainability can address both issues simultaneously. Studies have shown that the environment also affects GLI. For instance, environmental degradation can lead to economic and social instability, which can have a negative impact on women's financial and social well-being (Buckley et al., 2019). Therefore, addressing environmental issues through GLI can also contribute to gender equality.

In conclusion, GLI and the environment are interconnected, and their impact on each other is significant. GLI can lead to investments that benefit both women and the environment, while environmental issues can also affect gender equality. Therefore, taking a gender-sensitive and environmentally conscious approach to investment decisions is crucial for creating positive social, economic, and environmental outcomes.

How Gender and the Environment Contribute to Financial Returns

Gender and the environment are two critical components of sustainable development, and they are increasingly recognized as key drivers of economic growth and financial returns. A growing body of research shows that gender and environmental considerations can lead to significant economic benefits, including increased productivity, profitability, and innovation. One way in which gender and the environment can create financial returns is through the promotion of sustainable agriculture. Agriculture is a major contributor to global economic growth and provides livelihoods for millions of people worldwide, particularly in developing countries. However, the impact of climate change and environmental degradation have put significant pressure on agricultural systems, leading to reduced productivity and economic losses. Gender plays an important role in sustainable agriculture, as women farmers represent a significant portion of the agricultural workforce and are often responsible for managing natural resources such as water and land. Investing in sustainable agriculture and empowering women farmers can lead to significant economic benefits. According to the United Nations Development Programme (UNDP, 2019), investing in sustainable agriculture and empowering women farmers could increase yields by 20-30%, reducing global hunger and increasing economic growth. A study by the International Fund for Agricultural Development (IFAD, 2019) found that closing the gender gap in agriculture could increase agricultural productivity by up to 20%, leading to higher profits and increased economic growth.
Another way in which gender and the environment can create financial returns is through the promotion of renewable energy. Renewable energy is an important component of sustainable development and has the potential to create significant economic benefits. According to the International Renewable Energy Agency (IRENA, 2019), renewable energy investments hcan create up to 28 million new jobs by 2050, with women representing a large portion of these new jobs. Investing in renewable energy can also have a significant impact on economic growth and poverty reduction. The World Bank (2019) reports that promoting gender equality can increase economic growth and reduce poverty , with women's labor force participation accounting for up to 50% of economic growth in some countries. A report by the International Labour Organization (ILO, 2019) found that investing in renewable energy could create up to 24 million new jobs by 2030, contributing to increased economic growth and poverty reduction.

Gender and the environment are also closely linked in the context of climate change. Climate change is one of the greatest challenges facing the world today, and it has significant economic consequences. However, research shows that gender considerations can play an important role in mitigating the impacts of climate change and promoting sustainable development. A World Bank (2019) report found that women are more likely to adopt environmentally friendly behaviors and technologies, leading to reduced greenhouse gas emissions and increased environmental sustainability. Promoting gender and environmental considerations can also lead to increased innovation and competitiveness. A study by the Organisation for Economic Co-operation and Development (OECD, 2019) found that promoting gender equality and empowering women in the workplace can lead to higher productivity, increased innovation, and higher profits. Similarly, a World Economic Forum (WEF, 2020) report found that closing the gender gap in the energy sector could lead to increased innovation and competitiveness, creating up to $1.3 trillion in additional annual revenue worldwide by 2030.

In conclusion, gender and the environment are critical components of sustainable development, and they can potentially create significant financial returns. By promoting sustainable agriculture, investing in renewable energy, and mitigating the impacts of climate change, we can create economic growth, reduce poverty, and build a more equitable and sustainable world.

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VII. APPENDIX

Below is a list of various regression models used for gender metrics.

Model 1a.

Equation:
Perfmnceit = β0 + β1 PWOMANit + β2DUALit + 3BSIZEit + β4INDit + β5FamilyOWit + β6InstitutionOWit + + β7FSizeit + β8LiQit + β9SalesGrthit + εit

Variables:

1. Performance (Perfmnce) = Return on Equity (ROE)
2. B0 = Intercept
3. B1 (PWOMAN) = Percentage of Females on the board (Gender Variable)
4. B2 (DUAL) = CEO Duality (Dummy Variable), 1 if CEO and Board Chairman are the same and 0 if not.
5. B3 (BSIZE) = Total Number of Board Members (Board Size)
6. B4 (IND) = Ratio of Independent Directors
7. B5 (FamilyOW) = Family Ownership, measured as percentage of stocks held by family members
8. B6 (InstitutionOW) = Institutional Ownership, measured by percentage of stock held by institutional shareholders
9. B7 (FSize) = Firm Size, measured by the natural logarithm of total assets (Control Variable)
10. B8 (LiQ) = Liquidity, measured by the ratio of current assets to current liabilities (Control Variable)
11. B9 (SalesGrth) = Sales Growth, measured by the change in net sales revenue from the previous year (Control Variable)

Model 1b.

Equation:
Perfmnceit = β0 + β1PWOMANit + β2DUALit + β3BSIZEit + β4 FamilyOWit + β5 InstitutionOWit + β6GovOWit + β7FSizeit + β8LiQit + β9SalesGrthit + εit

Variables:

1. Performance (Perfmnce) = Return on Equity (ROE)
2. B0 = Intercept
3. B1 (PWOMAN) = Percentage of Females on the board (Gender Variable)
4. B2 (DUAL) = CEO Duality (Dummy Variable), 1 if CEO and Board Chairman are the same and 0 if not.
5. B3 (BSIZE) = Total Number of Board Members (Board Size)
6. B4 (FamilyOW) = Family Ownership, measured as percentage of stocks held by family members
7. B5 (InstitutionOW) = Institutional Ownership, measured by percentage of stock held by institutional shareholders
8. B6 (GovOW) = Government Ownership, measured by ratio of government shares
9. B7 (FSize) = Firm Size, measured by the natural logarithm of total assets (Control Variable)
10. B8 (LiQ) = Liquidity, measured by the ratio of current assets to current liabilities (Control Variable)
11. B9 (SalesGrth) = Sales Growth, measured by the change in net sales revenue from the previous year (Control Variable)

Sample used is the industrial section of the ASE100 index – the 100 largest companies on the Amman stock exchange.

Citation:
Alshirah, M. H., Alfawareh, F. S. H., Alshira'h, A. F., Al-Eitan, G. N., Bani-Khalid, T. O., & Alsqour, M. (2022b). Do Corporate Governance and Gender Diversity Matter in Firm Performance (ROE)? Empirical Evidence from Jordan. Economies, 10(4), 84. https://doi.org/10.3390/economies10040084

Model 2

Equation:
Rpt - Rft = ap + bp (Rmt - Rft) + sp SMBt + hp HMLt

Variables:

1. Rpt – Rft = Monthly excess return of the portfolio of the sample firms over the risk free rate
2. Rmt – Rft = is the excess return required by the market over the risk-free rate (same as CAPM)
3. SMB (Small minus Big) = is the average excess return required for investing in small rather than big firms
4. HML (High minus Low) = the average excess return required for value firms (high-book-to-market ratios) as opposed to growth firms
5. a = intercept capturing monthly average abnormal returns (the alpha)
6. b, h, and s coefficients are estimated using Toronto Stock Exchange (TSX) returns from 1990 to 2004

The gender metrics used were percentage of female officers, percentage of female directors, and the combined percentage of female directors and officers. The metrics are from the 2001 to 2003 Catalyst censuses of female directors and the 2002 and 2004 Catalyst censuses of women officers in the FP500, the Financial Post's list of the 500 largest Canadian firms. The sample used are the publicly traded companies of that list. Roughly 230. The companies were sorted into firms with high female representation and those with low female representation. In addition, the above regression model is run comparing the two.

SMB was computed by sorting stocks into 6 portfolios and ranking them based on their size and book market (BM) ratios. Firms were split into two size groups and three BM groups. Firms below the median size were considered small, and those above considered big. Companies in the bottom 30% for BM ratios were considered "low", and those in the top 30% considered "high".

Citation:
Francoeur, C., Labelle, R., & Sinclair-Desgagné, B. (2008). Gender Diversity in Corporate Governance and Top Management. Journal of Business Ethics, 81(1), 83–95. https://doi.org/10.1007/s10551-007-9482-5

Model 3

Equation:
PERFi;t = α + þ βDIVi; (t-1) + γ CTRLi + ui;t

Variables:

1. PERF Firm performance, represented by three metrics:
- Return on Assets (ROA)
- Return on Investment (ROI)
- The average monthly return in a year divided by the monthly standard deviation of return in the same year
2. DIV = Gender Diversity, represented by three metrics:
- A dummy variable, 1 if the top management position changes from male to female in the previous year
- An indicator for board additions that accounts for the adding or removal of a female director from the board.
- Change in the proportion of female directors on the board. (An increase in the proportion of women is counted as a positive change
3. CTRL = Control variables, represented by:
- The age of the firm
- Size of the firm (number of employees)
- Size of the board

Citation:
Solakoglu, M. N. (2013). The role of gender diversity on firm performance: a regression quantile approach. Applied Economics Letters, 20(17), 1562–1566. https://doi.org/10.1080/13504851.2013.829184

Model 4

Equation:
$y_{jt} = \alpha + \beta$ Percentage women directors$_{j,t-1} + \gamma$Election$_{jt} + \tau_t + \varphi_j + \varepsilon_{jt}$,

Variables:

1. Y = Firm performance, represented by the log of the following:
- Return on Assets (ROA)
- Number of Employees
- Assets
- Production
- Profits
- Tobin's Q
- Short – term debts
- Monthly standard deviation in stock price (monthly stock price volatility)
2. Percentage of Women Directors = Proportion of women on boards (gender variable)
3. Election = Dummy variable for whether the firm changed its board in that year
4. Tau and Theta represent time and firm fixed effects
5. Epsilon is the error term

Citation:

Ferrari, G., Ferraro, V., Profeta, P., & Pronzato, C. (2021b). Do Board Gender Quotas Matter? Selection, Performance, and Stock Market Effects. Management Science, 68(8), 5618 5643. https://doi.org/10.1287/mnsc.2021.4200